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COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the fiscal year ended June 30, 1983

Prepared by

Department of Administration
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DEPARTMENT OF ADMINISTRATION
DIRECTOR'S OFFICE

TED SCHWINDEN, GOVERNOR

MITCHELL BUILDING

STATE OF MONTANA

(406) 444-2032

HELENA, MONTANA 59620

December 27, 1983

THE HONORABLE TED SCHWINDEN
GOVERNOR OF THE STATE OF MONTANA

DEAR GOVERNOR SCHWINDEN:

In accordance with Section 17-2-110, Montana Codes Annotated, I hereby transmit the Comprehensive Annual Financial Report (CAFR) of the State of Montana for the fiscal year ended June 30, 1983. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation rests with the Department of Administration. We believe that the data as presented is accurate in all material respects, and fairly states the financial position and results of operations of the State of Montana.

While the economic outlook for the national economy remains uncertain, I am pleased to acknowledge that the financial condition of our state, as evidenced by the body of this report, is strong. The State ended the fiscal year with a $63.7 million General Fund balance. This amount includes $32 million which must go to support public schools during the 1984-1985 biennium. The General Fund surplus was maintained through the recession without a general tax increase. Continued good management will assure that Montana does not face the fiscal crisis common today in nearly every other state.

Description of the CAFR

This year's report is significantly different and improved over prior reports. It reflects the progress we have made toward implementing new and stringent standards of governmental reporting established by the National Council on Governmental Accounting (NCGA) and the American Institute of Certified Public Accountants (AICPA). Where the following financial information is not in compliance with generally accepted accounting principles (GAAP), the differences have been noted. This ensuing fiscal year, we will continue to address the changes needed to report in complete conformity with GAAP.

This CAFR is divided into three sections: An introductory section, which contains an organization chart for the State and a Table of Contents; the financial section, which begins with the general purpose financial statements and provides an overview of the State's financial position and operating results, followed by combining statements by fund

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type and other schedules that provide additional detailed information relative to the general purpose financial statements; and the statistical section, which includes a number of statistical tables and charts presenting various financial, economic and demographic data about the State.

Accounting System/Budgetary Control

Montana's Statewide Budgeting & Accounting System (SBAS) is a centrally maintained, fully computerized, double-entry accounting system. SBAS records are computer edited.

In developing and evaluating the State's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgements by management.

Budgetary control is imposed via legislative and administrative appropriations. SBAS is designed to prevent spending in excess of legislative and administrative authority and/or available cash.

The Legislative Auditor, who is appointed by and reports to the Legislative Audit Committee, will not perform an opinion audit for the State as a whole until fiscal year 1984. Currently, he audits every state agency at least once every two years and audits centrally maintained operations annually. These audits are performed in accordance with generally accepted auditing standards.

Reporting Entity

The accompanying financial statements include all funds, account groups, agencies, boards and commissions that are controlled by or are dependent on the State's legislative, executive or judicial branches. Control by or dependence on the State is determined on the basis of the following criteria, as defined in NCGA Statement 3: selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters and scope of public service.

Fund Structure

For the fiscal year ended June 30, 1983, Montana's treasury fund structure was not in accordance with generally accepted accounting principles (GAAP). For the financial presentations in this report, the funds have been reclassified according to the recommended format established by the National Council on Governmental Accounting. Effective July 1, 1983, Montana's fund structure was renamed and

redefined to be in accordance with current authoritative literature and CAAP.

General Governmental Functions

Revenues for general governmental functions totaled $868,306,000 in fiscal year 1983. Revenue by source is shown below:

Revenue Source	Amount (000's)	% of Total
Licenses and Permits	$ 53,400	6.15%
Taxes	401,895	46.28
Service Fees & Fines	10,296	1.19
Charges for Sales	5,953	.69
Investment Earnings	86,051	9.91
Reimbursements	19,083	2.20
Rentals, Leases & Royalties	1,139	.13
Fiduciary & Trust	42	.00
Grants and Gifts	7,238	.83
Miscellaneous	1,707	.20
Federal Assistance	281,502	32.42
Total	$868,306	100.00%

Expenditures for general governmental purposes totaled $849,123,000 in fiscal year 1983. Expenditures by function are shown in the following table:

Revenue Source	Amount (000's)	% of Total
Current:		
General Government	$ 73,748	8.69%
Public Safety and Corrections	46,576	5.48
Transportation	161,891	19.07
Health & Social Serv.	248,355	29.25
Education and Culture	203,919	24.01
Resource Development and Recreation	43,588	5.13
Economic Development and Assistance	34,367	4.05
Capital Outlay	25,701	3.03
Debt Service	10,978	1.29
Total	$849,123	100.00%

Because of the change in fund structure and certain other changes during fiscal year 1983 to implement generally accepted accounting principles, the revenues and expenditures scheduled above are not comparable to amounts reported for fiscal year 1982.

General and special revenue fund balances at June 30, 1983 were as follows:

Fund Balance	General Fund	Special Revenue Funds
Reserved For:		
Encumbrances	$ 2,261	$ 9,054
Long-Term Assets		4,508
Inventories	2,380	14,837
Continuing Appropriations	1,657	16,327
Federal Loans & Special Trusts		10,289
Unreserved	56,895	136,157
Total	$63,193	$191,172

Debt Administration

Montana has never defaulted in the punctual payment of its indebtedness. State debt may be authorized either by a two-thirds vote of the members of each house of the Legislature or by a favorable vote of a majority of the State's electors voting thereon. There is no constitutional limit on the amount of debt that may be incurred by the State. The Montana Constitution does, however, prohibit the incurring of debt to cover deficits incurred because appropriations exceeded anticipated revenue.

Montana continues to receive excellent bond ratings from both Moody's Investors Service (AA1) and Standard & Poor's Corporation (Aa), reflecting our record of solid financial management. Direct state debt increased from $74,219,661 at June 30, 1982, to $133,047,360 at June 30, 1983.

The ratio of net general obligation long-term debt to assessed valuation, and the amount of net debt per capita are:

	Amount (in 000's)	Ratio of Debt to 1982 Assessed Value	Debt per Capita*
Net General Obligation Long-Term Debt	$57,940	.36%	$72.33

*Based on 1982 Montana population.

Tax and Revenue Anticipation Notes in the amount of $47,000,000 were issued in December, 1982 and retired in June 1983.

Cash Management

The Treasury Bureau of the Department of Administration is the central bank for the state. Montana utilizes a central investing

program. Unless otherwise provided by law, treasury cash is pooled regardless of the fund from which it is deposited. Nearly all monies available for investment are managed and invested by the Board of Investments. The Board reported total investment income from investments under their management of $163.9 million, an increase of 6.3% over the $154.2 million earned last year. The book value of Board managed investments rose 13.1% to $1,542.0 million from $1,362.5 million at year-end 1982. The Board annually publishes an audited report of all its investment activity. That report can be referenced for more in-depth portfolio information.

Acknowledgements

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Accounting Division. I would like to express my sincere appreciation to the Accounting Division. I would also like to thank the Legislature and the Executive agencies for their interest and support in planning and conducting the financial operations of Montana in a professionally responsible and progressive manner.

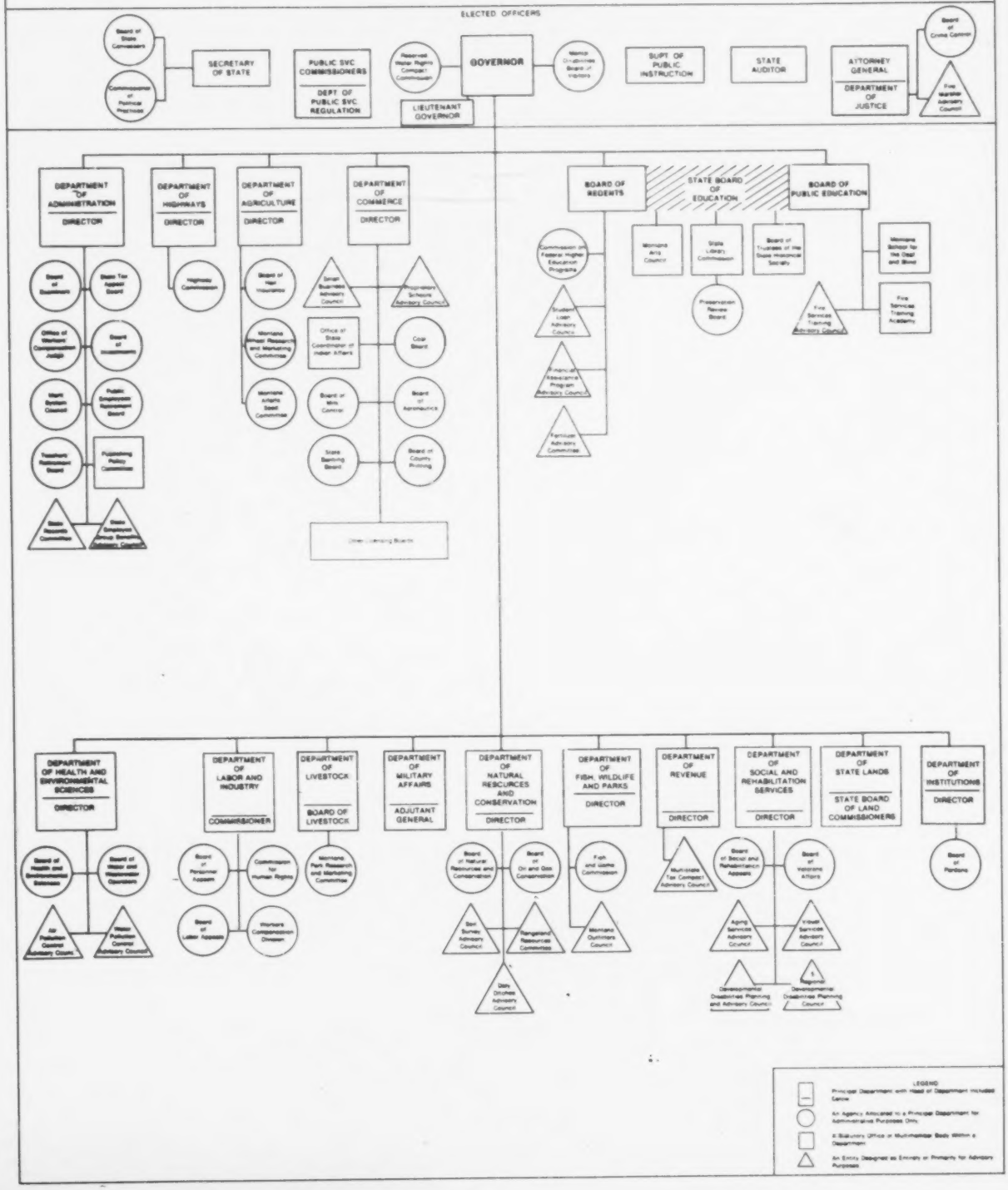
Respectively submitted,

Morris L. Brusett

Morris L. Brusett, CPA
Director, Department of Administration

STATE OF MONTANA
ORGANIZATION OF THE EXECUTIVE BRANCH

DECEMBER 1, 1981



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GENERAL PURPOSE FINANCIAL STATEMENTS

These basic financial statements provide a summary overview of the financial position of all funds and account groups and of the operating results of all funds. They also serve as an introduction to the more detailed statements that follow.

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STATE OF MONTANA
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 1983
(Expressed in Thousands)

	GOVERNMENTAL FUND TYPES			
ASSETS	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
Cash and Cash Equivalents	$ 66,549	$ 114,940	$ 12,320	$ 12,717
Cash with Fiscal Agent		1,700		
Receivables (Net)	19,865	10,493	1,287	1,191
Interentity Loans Receivable	1,047	21,783		
Due from Other Funds	11,570	49,154	2	(48)
Due from Other Governments	16	39,541		
Inventories	2,380	14,848		
Advances to Investment Pool		23,652	459	12,233
Other Advances				
Long-Term Notes and Loans Rec.		8,779		
Investments		21,385	10,915	6,996
Restricted Assets				
Land				
Buildings and Improvements				
Equipment				
Other Fixed Assets				
Construction in Progress				
Accumulated Depreciation				
Amt. Avail. Debt Service Fund				
Amt. to be Provided to Retire Long-Term Debt				
Other Assets	297	2,317		14
Total Assets	$ 101,724	$ 308,592	$ 24,983	$ 33,103
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts Payable and Accruals	$ 12,927	$ 41,005	$ 178	$ 798
Interentity Loans Payable		21,116		796
Due to Other Funds	7,049	32,208	1	(17)
Due to Other Governments	1,565	2,990		
Current Notes and Bonds Payable	50		290	
Other Payables		1,347		54
Deferred Revenue	16,922	18,205	990	718
Long-Term Notes and Bonds Payable				
Property Held in Trust	18	549		
Total Liabilities	38,531	117,420	1,459	2,349
Fund Equity:				
Contributed Capital				
Invest. in Gen. Fixed Assets				
Retained Earnings:				
Reserved for Bond Retirement				
Reserved for Encumbrances				
Unreserved				
Fund Balances:				
Reserved For:				
Encumbrances	2,261	9,054		34
Inventories	2,380	14,837		
Retirement System				
Long-Term Assets		4,508		
Debt Service			23,524	
Federal Loans and Special Trusts		10,289		
Continuing Appropriations	1,657	16,327		92,941
Unreserved	56,895	136,157		(62,221)
Total Fund Equity	63,193	191,172	23,524	30,754
Total Liabilities and Fund Equity	$ 101,724	$ 308,592	$ 24,983	$ 33,103

The notes to the financial statements are an integral part of this statement

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		HIGHER	
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	EDUCATION FUNDS	TOTAL (Memorandum Only)
$ 2,630	$ 5,575	$ 397,170	$	$	$ 33,035	$ 644,936
						1,700
4,771	606	50,592			15,817	104,622
	40	237			5,245	28,352
547	2,954	37,513			8,183	109,875
		52			113	39,722
8,901	760	8			4,479	31,376
6,993	8,105	134,323			11,763	197,528
		153,899				153,899
241,661	160	1,681				252,281
75,852		1,049,162			1,055	1,165,365
37,043						37,043
	925	49,434	34,036		7,488	91,883
1,974	1,003	158	122,932		184,412	310,479
979	43,822	79	39,388		44,455	128,723
	1,781		841		23,472	26,094
	295		29,295		29,358	58,948
(786)	(19,937)	(79)				(20,802)
				23,524		23,524
				108,800		108,800
64	2	18,281			1,015	21,990
$ 380,629	$ 46,091	$ 1,892,510	$ 226,492	$ 132,324	$ 369,890	$ 3,516,338
$ 7,033	$ 3,656	$ 6,872			$ 34,072	$ 106,541
	1,194				5,233	28,339
3,136	1,389	57,508			8,601	109,875
		16,162			26	20,743
						340
		493,684			509	495,594
926	11	5,812			599	44,183
331,806				132,324	30,634	494,764
	6	44,361			344	45,278
342,901	6,256	624,399	0	132,324	80,018	1,345,657
	2,420					2,420
			226,492		243,509	470,001
19,434						19,434
69	851					920
18,225	36,564					54,789
		37				11,386
						17,217
		728,510				728,510
						4,508
						23,524
		462,177			14,999	487,465
					22,485	133,410
		77,387			8,679	217,097
37,728	39,835	1,268,111	226,492	0	289,872	2,170,681
$ 380,629	$ 46,091	$ 1,892,510	$ 226,492	$ 132,324	$ 369,890	$ 3,516,338

STATE OF MONTANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
All Governmental Fund Types and Expendable Trust Funds
For the Fiscal Year Ended June 30, 1983
(Expressed in Thousands)

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE	TOTAL (Memo Only)
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	EXPENDABLE TRUST	
REVENUES:						
Licenses and Permits	$ 19,426	$ 33,974	$	$	$ 1	$ 53,401
Taxes:						
Gas, Oil and Coal Prod.	63,087	14,150	1,000			78,237
Individual Income	97,730	38,176	16,797			152,703
Corporate Income	20,974	11,628	3,605			36,207
Other	23,341	100,245	8,305	2,857		134,748
Service Fees and Fines	2,633	7,663			792	11,088
Investment Earnings	50,167	29,348	1,184	5,352	7,076	93,127
Reimbursements	12,673	6,410				19,083
Sale of Doc. Mdse. and Property	4,591	1,081		281		5,953
Rentals, Leases and Royalties	116	459		564		1,139
Fiduciary and Trust		42			104,341	104,383
Grants and Gifts	1	7,234	3		4	7,242
Federal Assistance		281,502			716	282,218
Other	387	1,320				1,707
Total Revenues	295,126	533,232	30,894	9,054	112,930	981,236
EXPENDITURES:						
General Government	53,317	18,993		1,438		73,748
Public Safety & Corrections	31,059	15,517				46,576
Transportation	1,413	160,478			833	162,724
Health and Social Services	103,603	144,752				248,355
Education and Cultural	44,772	159,147			6	203,925
Resource Dev. and Recreation	9,791	33,797				43,588
Economic Development and Assist.	2,816	31,551			123,397	157,764
Debt Service—Principal			3,734			3,734
Debt Service—Interest	1,338		5,906			7,244
Capital Outlay	233	7,142		18,326		25,701
Total Expenditures	248,342	571,377	9,640	19,764	124,236	973,359
Excess of Revenues Over (under) Expenditures	46,784	(38,145)	21,254	(10,710)	(11,306)	7,877
PRIOR YEAR ADJUSTMENTS	6,794	(19,519)	59	107	1,306	(11,253)
OTHER FINANCING SOURCES (USES):						
Bond Proceeds		50,120	13,180			63,300
Increase (Decrease) in Inventories	1,122	1,824				2,946
Operating Transfers In (Out)	(61,034)	27,091	(21,869)	1,696	(3,111)	(57,227)
Total Other Financing Sources	(59,912)	79,035	(8,689)	1,696	(3,111)	9,019
PRIOR YEAR TRANSFER ADJUSTMENT	32,143	(31,756)	(5)	0	5,455	5,837
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	25,809	(10,385)	12,619	(8,907)	(7,656)	11,480
FUND BALANCES—JULY 1- As Previously Stated	34,336	204,903	10,766	39,022	89,590	378,617
PRIOR PERIOD ADJUSTMENTS (See Note 3)	3,048	(3,346)	139	639	(4,547)	(4,067)
FUND BALANCES—JULY 1 - As Restated	37,384	201,557	10,905	39,661	85,043	374,550
FUND BALANCES—JUNE 30	**$ 63,193**	**$ 191,172**	**$ 23,524**	**$ 30,754**	**$ 77,387**	**$ 386,030**

The notes to the financial statements are an integral part of this statement.

STATE OF MONTANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Equity/Fund Balances
All Proprietary Fund Types and Similar Trust Funds
For the Fiscal Year Ended June 30, 1983
(Expressed in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		
	ENTERPRISE	INTERNAL SERVICE	NONEXP. TRUST	PENSION TRUST	TOTAL (Memo Only)
OPERATING REVENUES:					
Taxes	$	$	$ 59,837	$	$ 59,837
Charges for Services	68,888	34,581		675	104,144
Investment Earnings	28,698		8,008	66,486	103,192
Contributions				99,201	99,201
Gifts			373		373
Other	775		10,124	60	10,959
Total Operating Revenue	98,361	34,581	78,342	166,422	377,706
OPERATING EXPENSES:					
Personal Services	5,216	11,223		761	17,200
Contractual Services	3,011	2,343		160	5,514
Supplies and Materials	31,230	6,168		10	37,408
Debt Service	23,660				23,660
Benefits	12,444	2,505		58,355	73,304
Communications		3,808			3,808
Depreciation	111	3,199		10	3,320
Repair and Maintenance		1,857			1,857
Utilities and Rent	970	2,182		46	3,198
Refunds				9,802	9,802
Other	305	2,648	2	360	3,315
Total Operating Expenses	76,947	35,933	2	69,504	182,386
Operating Income	21,414	(1,352)	78,340	96,918	195,320
PRIOR YEAR ADJUSTMENTS	31	(916)	2,925	(86)	1,954
NONOPERATING REVENUE (EXPENSES):					
Gain on Sale of Fixed Assets	1	19			20
Reduction in Value of Livestock		(435)			(435)
Miscellaneous	36	88			124
Investment Earnings		959			959
Sale of Property			207		207
Total Nonoperating Revenue (Expenses)	37	631	207	0	875
Income before Operating Transfers	21,482	(1,637)	81,472	96,832	198,149
OPERATING TRANSFERS IN (OUT)	(15,265)	0	(5,936)	25	(21,176)
PRIOR YEAR TRANSFER ADJUSTMENTS	(70)	(1,079)	(3,331)	(196)	(4,676)
Net Income (Loss)	6,147	(2,716)	72,205	96,661	172,297
RETAINED EARNINGS/FUND BALANCE—JULY 1—As Previously Stated	31,331	39,338	389,415	619,327	1,079,411
PRIOR PERIOD ADJUSTMENTS (See Note 3)	250	1,011	560	12,559	14,380
RETAINED EARNINGS/FUND BALANCE—JULY 1—As Restated	31,581	40,349	389,975	631,886	1,093,791
RESIDUAL EQUITY TRANSFERS	0	2,202	(3)	0	2,199
RETAINED EARNINGS/FUND BALANCE—JUNE 30	$ 37,728	$ 39,835	$ 462,177	$ 728,547	$ 1,268,287

The notes to the financial statements are an integral part of this statement.

STATE OF MONTANA
Combined Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budget Basis)
General Fund and Special Revenue Fund Type
For the Fiscal Year Ended June 30, 1983
(Expressed in Thousands)

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE-FAVORABLE (UNFAVORABLE)
REVENUES:			
Licenses and Permits	$ 19,510	$ 19,426	$ (84)
Taxes:			
Cigarette and Tobacco			
Gas, Oil and Coal Production	61,904	61,522	(382)
Individual Income	97,742	97,152	(590)
Corporate Income	22,803	20,734	(2,069)
Alcoholic Beverages	22,955	23,341	386
Fuel			
Miscellaneous			
Service Fees and Fines	2,163	2,237	74
Investment Earnings	55,796	48,385	(7,411)
Reimbursements	9,973	12,264	2,291
Sale of Documents, Merchandise and Property	5,545	4,588	(957)
Rentals, Leases and Royalties	164	110	(54)
Fiduciary and Trust			
Grants and Gifts			
Federal Assistance			
Miscellaneous	11	17	6
Total Revenues	298,566	289,776	(8,790)
EXPENDITURES:			
General Government	55,048	51,583	3,465
Public Safety and Corrections	33,109	31,487	1,622
Transportation	1,436	1,408	28
Health and Social Services	105,933	104,117	1,816
Education and Cultural	45,486	44,815	671
Resource Development and Recreation	10,339	9,970	369
Economic Development and Assistance	2,986	2,827	159
Debt Service-Interest	1,338	1,338	0
Capital Outlay	235	235	0
Total Expenditures	255,910	247,780	8,130
Excess of Revenues Over (under) Expenditures	42,656	41,996	(660)
PRIOR YEAR ADJUSTMENTS	(1,558)	(1,558)	0
OTHER FINANCING SOURCES (USES):			
Bond Proceeds			
Operating Transfers In (Out)	(61,265)	(61,899)	(634)
Total Other Financing Sources	(61,265)	(61,899)	(634)
PRIOR YEAR TRANSFER ADJUSTMENT	32,125	32,125	0
Excess of Revenues and Other Sources Over (under) Expenditures and Other Uses	11,958	10,664	(1,294)
FUND BALANCE—JULY 1	34,336	34,336	0
FUND BALANCE—JUNE 30	$ 46,294	$ 45,000	$ (1,294)

The notes to the financial statements are an integral part of this statement.

SPECIAL REVENUE FUND TYPE			TOTAL (Memorandum Only)		
BUDGET	ACTUAL	VARIANCE-FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE-FAVORABLE (UNFAVORABLE)
$ 24,161	$ 33,956	$ 9,795	$ 43,671	$ 53,382	$ 9,711
14,480	14,150	(330)	76,384	75,672	(712)
38,181	37,950	(231)	135,923	135,102	(821)
12,528	11,534	(994)	35,331	32,268	(3,063)
			22,955	23,341	386
101,963	97,803	(4,160)	101,963	97,803	(4,160)
2,329	2,442	113	2,329	2,442	113
8,177	7,475	(702)	10,340	9,712	(628)
1,422	1,641	219	57,218	50,026	(7,192)
8,290	5,964	(2,326)	18,263	18,228	(35)
1,274	973	(301)	6,819	5,561	(1,258)
532	452	(80)	696	562	(134)
37	42	5	37	42	5
1,650	1,243	(407)	1,650	1,243	(407)
170,266	164,759	(5,507)	170,266	164,759	(5,507)
111,802	120,488	8,686	111,813	120,505	8,692
497,092	**500,872**	**3,780**	**795,658**	**790,648**	**(5,010)**
28,167	18,967	9,200	83,215	70,550	12,665
18,015	15,519	2,496	51,124	47,006	4,118
191,323	165,265	26,058	192,759	166,673	26,086
154,604	141,815	12,789	260,537	245,932	14,605
158,485	155,975	2,510	203,971	200,790	3,181
43,703	33,191	10,512	54,042	43,161	10,881
44,615	29,208	15,407	47,601	32,035	15,566
			1,338	1,338	0
14,825	7,119	7,706	15,060	7,354	7,706
653,737	**567,059**	**86,678**	**909,647**	**814,839**	**94,808**
(156,645)	(66,187)	90,458	(113,989)	(24,191)	89,798
(19)	(19)	0	(1,577)	(1,577)	0
50,120	50,120	0	50,120	50,120	0
15,637	32,117	16,480	(45,628)	(29,782)	15,846
65,757	82,237	16,480	4,492	20,338	15,846
3	3	0	32,128	32,128	0
(90,904)	**16,034**	**106,938**	**(78,946)**	**26,698**	**105,644**
199,122	199,122	0	233,458	233,458	0
$ 108,218	**$ 215,156**	**$ 106,938**	**$ 154,512**	**$ 260,156**	**$ 105,644**

STATE OF MONTANA
Combined Statement of Changes in Financial Position
All Proprietary Fund Types and Similar Trust Funds
For the Fiscal Year Ended June 30, 1983
(Expressed in Thousands)

	ENTERPRISE	INTERNAL SERVICE	NON EXP. TRUST	PENSION TRUST	TOTAL (Memo Only)
SOURCES OF WORKING CAPITAL:					
Operations:					
Net Income (Loss)	$ 6,147	$ (2,716)	$ 72,205	$ 96,661	$172,297
Items not Requiring Working Capital:					
Depreciation	111	3,199		10	3,320
Amortization of Net Loss on Securities Exchanged			1,365	2,286	3,651
Prior Period Adjustment (See Note 3)	250	1,011	560	12,559	14,380
Working Capital Provided by Operations	6,508	1,494	74,130	111,516	193,648
Sale of Long-Term Investments			39,012	110,052	149,064
Reduction in Value of Livestock		435			435
Disposal of Fixed Assets	84	686			770
Decrease in Noncurrent Receivables	5,017		115		5,132
Increase in Noncurrent Payables	85,000	344			85,344
Transfers from Other Funds		2,399			2,399
Total Sources of Working Capital	96,609	5,358	113,257	221,568	436,792
USES OF WORKING CAPITAL:					
Purchase of Long-Term Investments	13,927		88,902	214,590	317,419
Acquisition of Fixed Assets	156	6,291		204	6,651
Decrease in Noncurrent Payables	27,690	776	711		29,177
Purchase of Mortgage Loans	49,884				49,884
Transfers to Other Funds		197	3		200
Payments of Issuance Costs	2,295				2,295
Total Uses of Working Capital	93,952	7,264	89,616	214,794	405,626
Net Increase (Decrease) in Working Capital	$ 2,657	$ (1,906)	$ 23,641	$ 6,774	$31,166
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:					
Cash and Cash Equivalents	1,617	(1,798)	4,767	(7,924)	(3,338)
Accounts Receivable	633	(1,681)	1,412	15,045	15,409
Due from Other Funds	(3,900)	1,826	3,772	5,563	7,261
Inventories	(2,170)	(17)		8	(2,179)
Advances to Investment Pool	2,027	(966)	10,104	(1,928)	9,237
Investments		297			297
Interentity Loans Receivable	(6)	(64)			(70)
Other Assets		(19)	12,689		12,670
Accounts Payable	(629)	252		229	(148)
Due to Other Funds	5,510	500	(9,041)	(4,043)	(7,074)
Due to Other Governments			(83)		(83)
Other Payables				5	5
Deferred Revenue	(450)	45	(7)	(181)	(593)
Property Held in Trust		(6)			(6)
Interentity Loans Payable	25	(275)	28		(222)
Net Increase (Decrease) in Working Capital	$ 2,657	$ (1,906)	$ 23,641	$ 6,774	$ 31,166

The notes to the financial statements are an integral part of this statement.

STATE OF MONTANA
Combining Balance Sheet
All Higher Education Funds
June 30, 1983
(Expressed in Thousands)

	CURRENT	FIDUCIARY	PLANT	TOTAL (Memo Only)
ASSETS				
Cash and Cash Equivalents	$ 15,433	$ 5,781	$ 11,821	$ 33,035
Receivables (Net)	1,748	14,016	53	15,817
Interentity Loans Receivable	4,913	50	282	5,245
Due from Other Funds	6,156	1,433	594	8,183
Due from Other Governments	113			113
Inventories	4,478	1		4,479
Advances to Investment Pool	7,194	1,821	2,748	11,763
Investments	477	417	161	1,055
Land			7,488	7,488
Buildings and Improvements			184,412	184,412
Equipment			44,455	44,455
Other Fixed Assets			23,472	23,472
Construction in Progress			29,358	29,358
Other	489	5	521	1,015
Total Assets	**$ 41,001**	**$ 23,524**	**$ 305,365**	**$ 369,890**
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts Payable & Accruals	$ 15,686	$ 2,863	$ 15,523	$ 34,072
Interentity Loans Payable	4,524	129	580	5,233
Due to Other Funds	7,372	679	550	8,601
Due to Other Governments	25	1		26
Other Payables	314	170	25	509
Deferred Revenue	483	107	9	599
Notes and Bonds Payable			30,634	30,634
Property Held in Trust	335	9		344
Total Liabilities	**28,739**	**3,958**	**47,321**	**80,018**
Fund Equity:				
Invest. in Gen. Fixed Assets			243,509	243,509
Fund Balance:				
Unreserved	(10,145)	4,601	14,423	8,879
Reserved For:				
Continuing Appropriations	22,373		112	22,485
Fed. Loans & Spec. Trusts	34	14,965		14,999
Total Fund Equity	**12,262**	**19,566**	**258,044**	**289,872**
Total Liabilities and Fund Equity	**$ 41,001**	**$ 23,524**	**$ 305,365**	**$ 369,890**

The notes to the financial statements are an integral part of this statement.

STATE OF MONTANA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 1983

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. **Reporting Entity**—For financial reporting purposes, in conformance with the National Council on Governmental Accounting (NCGA) pronouncement, "Defining the Governmental Reporting Entity-Statement 3, the State of Montana includes all funds, account groups, agencies, boards and commissions that are controlled by or dependent on the State's legislative, executive or judicial branches. Control by or dependence on the State was determined on the basis of the following criteria, as defined in NCGA Statement 3: selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters and scope of public service.

Community colleges are not considered part of the State reporting entity, thus they are excluded from the accompanying financial statements for the following reasons. The State's General Fund provided 53 percent of the colleges' current unrestricted budgets for fiscal year 1983; the remainder of the colleges' operating and capital expenditures, including debt service, are financed entirely from nonstate sources such as tuition, federal grants and local tax levies. The State has no obligation to fund the colleges' budgets. At year-end, any surplus remains with the colleges. A Board of Trustees is elected by the voting public in each community college district to administer and control the colleges. The Board of Trustees adopts rules, grants certificates, controls all college assets, receipts and disbursements, and hires key personnel. The college district may issue bonds for which the full faith, credit and taxable resources of the district are pledged. Outstanding debt of the community college districts is not an obligation of the State.

B. **Basis of Presentation**—Montana reports its financial activity in accordance with generally accepted accounting principles (GAAP) as prescribed by the National Council on Governmental Accounting, the American Institute of Certified Public Accountants, and the National Association of College and University Business Officers, except as follows:

(1) Required Statements of Current Funds Revenues, Expenditures, and Other Changes—All University Current Funds and Statements of Changes in Fund Balance—All University Funds excluding Agency Funds, are not presented;

(2) Amounts reported as transfers include certain quasi-external transactions that should be reported as revenues and expenditures/expenses; and

(3) Intra-fund transactions are not eliminated.

Montana's various funds are grouped in the financial statements in this report as follows:

GOVERNMENTAL FUNDS

General Fund—To account for all governmental financial resources except those required to be accounted for in another fund.

Special Revenue Funds—To account for the proceeds of specific revenue sources restricted to expenditure for specified purposes (other than expendable trusts or major capital projects).

Debt Service Funds—To account for resources accumulated for payment of general long-term debt principal and interest.

Capital Project Funds—To account for resources used for the acquisition or construction of major capital facilities (other than those financed by proprietary or trust funds).

PROPRIETARY FUNDS

Enterprise Funds—To account for operations (a) financed and operated similar to private business enterprises, where the intent of the Legislature is that costs are to be financed or recovered primarily

through user charges, or (b) where the Legislature has decided that periodic determination of revenue earned, expenses incurred, or net income is appropriate.

Internal Service Funds—To account for the financing of goods and services provided by one department or agency to other departments or agencies or to other governmental entities on a cost-reimbursement basis.

FIDUCIARY FUNDS

Trust and Agency Funds—To account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. These include: (a) expendable trust funds, (b) nonexpendable trust funds, (c) pension trust funds, and (d) agency funds.

ACCOUNT GROUPS

General Fixed Assets Account Group—To account for all fixed assets of the State, except those accounted for in the proprietary, nonexpendable and pension trust, and plant funds.

General Long-Term Debt Account Group—To account for all long-term obligations of the State, except those accounted for in proprietary, nonexpendable and pension trust, and plant funds.

HIGHER EDUCATION (UNIVERSITY AND VOCATIONAL-TECHNICAL CENTER) FUNDS

Current Funds—To account for unrestricted funds over which the governing boards retain full control in achieving the institutions' purposes, and restricted funds which may be utilized only in accordance with external restrictions.

Fiduciary Funds—To account for resources available for loan to students, faculty and staff; endowment funds; and resources held by the institution as custodian or fiscal agent.

Plant Funds—To account for institutional property acquisition, renewal, replacement, debt service and investment.

Amounts in the "Total—Memo Only columns in the preceeding financial statements represent a summation of the combined financial statement line-items of the fund types and account groups. These amounts are presented for analytical purposes only. The summation includes fund types and account groups that use different bases of accounting, both restricted and unrestricted amounts, interfund transactions that have not been eliminated, and the caption "Amount to be Provided to Retire Long-Term Debt which is not an asset in the usual sense. Consequently, amounts shown in the "Total - Memo Only columns are not comparable to a consolidation and do not represent the total resources available or total revenues and expenditures/expenses of the State.

C. **Basis of Accounting**—The accounting and reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds and Expendable Trust Funds are accounted for on a spending or "financial flow measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

All Proprietary, Pension Trust and Nonexpendable Trust Funds are accounted for on a cost of services or "capital maintenance measurement focus. This means that all assets and all liabilities associated with this activity are included on their balance sheets. Their reported fund equity is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

The modified accrual basis of accounting is followed in the governmental funds and expendable trust funds. In applying the modified accrual basis, revenues are recorded when they are received in cash, unless susceptible to accrual. Revenues susceptible to accrual are recorded as receivables when they are measurable and available to pay current period liabilities. Intergovernmental revenues received as reimbursements are recognized based upon the expenditures recorded. Intergovernmental revenues received but not earned are recorded as deferred revenues. Taxes on coal sales, gas and oil production and individual income are recognized as revenues, if available, when tax returns are filed since they normally are only measurable at that time. Property tax revenues are recognized when received.

Under the modified accrual basis of accounting, expenditures are recognized when the related liability is incurred with the following exceptions, which are in accordance with generally accepted accounting principles:

1) principal and interest on long-term debt is reported when due;
2) obligations for employees' vested annual leave and sick leave are reported as expenditures when paid;
3) prepayments are accounted for as expenditures in the period of acquisition; and
4) inventory items are considered expenditures when purchased.

Proprietary, Pension Trust, Nonexpendable Trust and Higher Education Funds are maintained and report on the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable; expenses are recognized in the period incurred (if measurable). Student tuition and fees are fully recognized in the fiscal year in which the related courses or activities are principally conducted.

Proprietary funds' unbilled receivables are recognized as revenue.

D. **The State Budget Process**—Montana is a biennial budget state. The constitution requires that appropriations in the budget adopted by the Legislature shall not exceed available revenues. Expenditures may not legally exceed budgeted appropriations at the appropriation level. In addition, the State Constitution prohibits borrowing to cover deficits incurred because appropriations exceeded anticipated revenue. Budgets are required by state law for the General, Special Revenue, Capital Projects, Enterprise and Internal Service Funds.

Agency budget requests are submitted to the Governor and the legislative fiscal analyst. The Governor together with the budget director reviews these requests, establishes priorities and balances the budget within currently authorized and anticipated revenues. A copy of the Governor's budget is submitted to the legislative fiscal analyst who then prepares recommendations. A comparison of those recommendations with the Governor's budget is submitted to the Legislature. Joint appropriations subcommittee hearings are held and an omnibus appropriation bill is reported out to the House and subsequently to the Senate. The Legislature generally enacts one bill making all appropriations for the next two fiscal years. Other appropriations are enacted by the Legislature, but only within the revenue available. Agencies must prepare and submit to the budget director operational plans showing the allocation of operating budgets by line item. The budget director may authorize transfers of funds between line items unless limited by the appropriation act.

Appropriations may not be increased by amendment in the General Fund. However, a department, institution, or agency of the executive branch desiring authorization to make expenditures from the General Fund during the first fiscal year of the biennium from appropriations for the second fiscal year of the biennium may apply for authorization from the Governor through the budget director. Additionally, the Governor may approve budget amendments for non-general fund monies not available for consideration by the Legislature and for emergencies. In the accompanying financial statements, reported budget amounts are as amended, if applicable. Supplemental appropriations of $12,683,467 for the General Fund for fiscal year 1983 were approved during the 1983 Legislative session.

Appropriations may be continued into the next fiscal year when authorized by the Legislature or the Governor's Office. Appropriations that are not continued are reverted after fiscal year-end. The reverted appropriations will remain available for one year to record proper prior year adjustments. After that time the appropriation authority lapses. Fund balances/retained earnings are not reserved for reverted appropriations.

Because capital projects fund authorizations are not made on an annual basis, capital projects fund activities are not presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual (Budget Basis).

E. **Encumbrances**—Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded as expenditures and liabilities in order to reserve that portion of the applicable appropriation, is employed for budgetary control purposes. Encumbrances outstanding at year-end are reported as reservations of fund balance for subsequent year expenditures/expenses.

F. **Budget Basis**—The budget basis differs from GAAP for encumbrances outstanding at year-end, fixed assets and inventories purchased in proprietary funds, inventories purchased in higher education funds, and certain loans from governmental funds. Actual amounts in the accompanying budgetary comparison statements are presented on the budgetary basis. A reconciliation of the differences between the budgetary basis and the GAAP basis is presented in Note 4.

G. **Cash and Cash Equivalents**—This classification includes bank accounts, imprest cash funds, cash in U.S. Treasury, cash with trustee banks, cash on hand at fiscal year-end and short-term investments. These investments are stated at cost, which at June 30, 1983 was approximately 91% of the market value. The majority of short-term investment earnings are credited to the State's General Fund.

H. **Receivables**—This classification, net of uncollectibles, consists primarily of receivables for goods sold and services provided, short-term loans and notes, interest, dividends and income, withholding and inheritance taxes.

An allowance for uncollectible taxes is provided based upon historical analysis. The allowance for uncollectible taxes at June 30, 1983 was $1.6 million.

I. **Interfund Transactions**—During the course of normal operations, the State has numerous transactions between funds to finance operations, provide services, construct assets and service debt. The governmental funds financial statements generally reflect such transactions as transfers while the proprietary funds financial statements report these as operating revenue/expense. To the extent that certain transactions between funds have not been paid or received as of June 30, 1983, interfund receivables and payables have been recorded. See Note 5 for a detailed listing of interfund loans.

J. **Inventories**—Inventories of materials and supplies are stated at lower of cost or market. The State allows agencies to use any generally accepted inventory pricing method, but specifies that the first-in, first-out method should be appropriate for most agencies.

Governmental and Expendable Trust Funds use the "purchase method where inventory purchases are recorded as expenditures. At fiscal year-end significant amounts of inventory are shown as a reserve of fund balance, indicating they do not constitute "available spendable resources.

Proprietary, Pension Trust, Nonexpendable Trust and Higher Education funds report using the "consumption method, where inventories are expensed as used.

K. **Advances to Investment Pool**—The Montana Board of Investments operates two investment pools. One allows agencies with small amounts of excess cash to pool their resources for short-term investment purposes, resulting in greater investment earnings. At June 30, 1983 this pool had a market value of $108.1 million and a book value of $110.3 million. The other is a pool which purchases common stock of publicly held companies. This pool's market and book values at June 30, 1983 were $129.5 million and $87.2 million respectively. Montana statutes limit the types of stock that may be purchased.

L. **Investments**—This classification includes long-term investments stated at cost or amortized cost aggregating $1,165,365,000. At June 30, 1983 the market value of these investments was $1,142,448,411. Debt securities included in this classification are expected to be held to maturity and redeemed at face value. Premiums and discounts are amortized over the maturity of the investment using the straight-line method.

M. **Restricted Assets**—Funds set aside for payment of the Housing Authority's revenue bonds and 1% of the amount allocated to the housing programs are classified as restricted assets since their use is restricted by applicable bond resolutions.

N. **Fixed Assets and Depreciation**—The State's general fixed assets are stated at cost and are not depreciated in the General Fixed Assets Account Group. When purchased, such assets are recorded as expenditures in the governmental type funds and Expendable Trust Funds. Fixed asset valuation is based on actual or estimated historical cost or, in the case of donations, fair market value at the time of receipt. Interest during construction and infrastructure general fixed assets, such as highways, bridges, curbs and gutters, are not capitalized.

Proprietary, Pension Trust, and Nonexpendable Trust Fund fixed assets are accounted for within their respective funds. They are depreciated on a straight-line basis with estimated useful lives of 30-50 years for buildings, 20 years for improvements and 4-12 years for equipment.

University and Vocational-Technical Center fixed assets are accounted for in the Investment in Plant Fund and are not depreciated.

O. **Deferred Revenue**—Deferred revenues are those where asset recognition criteria have been met but for which revenue recognition criteria (measurable and available) have not been met. State policy for most revenues defines "available as being collected within 60 days after fiscal year end. Monies collected in advance of the fiscal year to which they apply are also deferred.

Current year property taxes levied but not collected by fiscal year end are deferred and recorded as revenue when received. Historical analysis indicates a consistent matching regardless of whether property tax revenues are accrued using revenue recognition criteria or are recognized when received.

P. **Fund Balance Reserves**—Portions of fund equity are reported as "reserved to indicate amounts not appropriable for expenditure, such as equity represented by inventories, and amounts legally segregrated for a specific future use, such as those pledged for debt service and retirement.

Q. **Employee Annual Vacation And Sick Leave**—It is the State's policy to record the cost of vacation and sick leave when paid. State employees earn vacation leave ranging from 15 to 24 days per year depending on the individual's years of service. Vacation leave may be accumulated to a total not to exceed two times the maximum number of days earned annually. Sick leave is earned at the rate of twelve days per year with no limit on accumulation. Upon retirement or termination an employee is paid for 100% of unused vacation leave and 25% of unused sick leave. As of June 30, 1983 the State's liability for unused vacation and sick leave for university and vocational-technical center employees was $11,110,323. The remaining agencies' leave liability at June 30, 1983 was $23,611,773.

2. COMPARABILITY WITH PRIOR YEARS

A. **Financial Statement Format**—To adopt the requirements of NCGA Statement 1, the State has presented general purpose financial statements by fund type and account group for the first time this year. These general purpose financial statements present a columnar total for all funds of a particular fund type. They are not comparable to the individual fund financial statements presented in prior years.

B. **Fund Structure**—Also to adopt the requirements of NCGA Statement 1, the State has reclassified its financial activities under a new fund structure in the accompanying financial presentations. Fund balances and retained earnings as of July 1, 1982 have been restated for the change in fund structure and are not comparable to prior years' financial statements.

C. **Reporting Entity**—To adopt the requirements of NCGA Statement 3, the State has included operations of vocational-technical centers and bonding activity of the Board of Housing in the accompanying financial statements for the first time. Fund balances and retained earnings as of July 1, 1982 have been restated for the change in reporting entity.

3. ACCOUNTING CHANGES/CORRECTION OF ERRORS

For the fiscal year ended June 30, 1983, the following prior period adjustments have resulted in beginning fund equity restatements to reflect the State's financial position according to generally accepted accounting principles (GAAP):

	Increase (Decrease)—expressed in thousands					
FUND TYPE	A	B	C	D	E	TOTAL
General	$ 1,362	$ 2,239	$	$ (1,146)	$ 593	$ 3,048
Special Revenue	2,793	2,483	(95)	(8,583)	56	(3,346)
Debt Service		139				139
Capital Projects	4	635				639
Enterprise	196	54				250
Internal Service	988	100	(18)		(59)	1,011
Expendable Trust		841		(5,388)		(4,547)
Nonexpendable Trust	711	313		(464)		560
Pension Trust	157	12,057	205		140	12,559
TOTALS	$ 6,211	$ 18,861	$ 92	$ (15,581)	$ 730	$ 10,313

A. Encumbrances—The State has changed its method of reporting encumbrances to comply with generally accepted acounting principles. Previously, encumbrances outstanding at year-end were reported as expenditures/expenses. In the accompanying financial statements, encumbrances are reported as a reservation of fund balance or retained earnings. To be consistent with budgetary practices, the State has reported the encumbrances as expenditures on the Combined Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual (Budget Basis). Fund balances and retained earnings as of July 1, 1982 have been restated for the change.

B. Accrual of investment interest income not previously reported.

C. To account for fixed assets associated with entities which were reclassified due to a change in fund structure, as discussed further in Note 2. B.

D. To account for the exchange of fixed income securities using the completed transaction method versus prior usage of the deferral/amortization method.

E. Miscellaneous restatements.

4. BUDGETARY BASIS VS. GAAP

The accompanying Combined Statement of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual (Budget Basis), General Fund and Special Revenue Fund Type presents comparisons of the legally adopted budget with actual data on a budgetary basis. Adjustments necessary to convert fund balances from the budgetary basis to the GAAP basis shown on the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance—All Governmental Fund Types follow:

	General	Special Revenue	Totals
Fund Balance (GAAP Basis)	$ 63,193	$ 191,172	$ 254,365
Encumbrance Adjustment (1)	(2,261)	(9,054)	(11,315)
Other Adjustments (2)	(15,932)	33,038	17,106
Fund Balance (Budgetary Basis)	$ 45,000	$ 215,156	$ 260,156

Amounts shown in the financial statements represent the original budgeted amounts and all supplemental appropriations. There were no expenditures in excess of total authorized appropriations in the State's individual governmental funds for the year.

Adjustment Explanations (See Note 1, D-F for additional budget information.)

(1) The GAAP basis statement is adjusted for encumbrances which are reported as expenditures on the budgetary statement.

(2) Due to budgetary requirements, certain transactions must charge an appropriation which results in expenditure activity that is not in accordance with generally accepted accounting principles (GAAP). For example, when funds are loaned to non-state organizations, the reduction in cash is offset with an appropriated expenditure, rather than a loan receivable. Expenditures in the budgetary basis statement include this type of activity; the GAAP basis statement does not. Another difference between the two statements is nonbudgeted expenditures, such as the write-off of bad debts.

5. INTERFUND LOANS

Individual fund loan receivable and payable balances at June 30, 1983 are as follows:

Fund	Interentity Loans Receivable	Interentity Loans Payable
General Fund	$ 1,047,860	$
Special Revenue Fund		
State Special Revenue Fund	21,327,764	800,000
Federal Special Revenue Fund	454,350	16,616,501
Other Special Revenue Funds		3,700,000
Capital Projects Fund		
Capitol Land Grant		796,362
Internal Service Fund		
Motor Pool		32,613
Prison Ranch	40,000	
Other Internal Service Funds		1,161,498
Expendable Trust Fund		
Unemployment Insurance	237,000	
Higher Education Current Fund		
Unrestricted Fund	4,343,729	245,000
Designated Fund	236,000	1,765,266
Auxiliary Fund	88,508	407,986
Restricted Fund	245,543	2,117,563
Higher Education Fiduciary Fund		
Agency Fund	50,000	129,383
Higher Education Plant Fund		
Unexpended Plant Fund	278,918	16,500
Debt Service Plant Fund	3,000	564,000
	$ 28,352,672	$ 28,352,672

6. LONG-TERM DEBT

Bonded long-term debt of the State at June 30, 1983 is as follows:

General Obligation Bonds	
Series 1980. Issued $19,130,000, 6.5% to 8.5%, due in principal payments of $250,000 in 1984 to $1,440,000 in 2010	$ 18,485,000
Series 1981. Issued $36,550,000, 9% to 12%, due in principal payments of $2,435,000 in 1984 to $2,440,000 in 1996	31,680,000
Highway Building Complex Bonds. Issued $7,400,000, 4.10% to 6.10%, due in principal payments of $305,000 in 1984 to $600,000 in 1996	5,675,000
Series 6. Montana College of Mineral Sciences and Technology, Physical Ed. Building. Issued $2,275,000, 4.5% to 6.5%, due in principal payments of $40,000 in 1984 to $150,000 in 2008	2,100,000
Revenue Bonds	
Series 1, 1965. Issued $8,640,000, 1% to 4%, due in principal payments of $305,000 in 1984 to $465,000 in 1996	4,145,000
Series 2, 1967. Issued $11,050,000, .10% to 5%, due in principal payments of $345,000 in 1984 to $25,000 in 1997	6,515,000
Department of Highways Series 1983. Issued $64,000,000, 6.75% to 8.25%, due in principal payments of $11,075,000 in 1986 to $14,755,000 in 1990	64,000,000
University Funds Issues:	
Montana State University	16,481,000
University of Montana	14,385,000
Eastern Montana College	3,511,000
Northern Montana College	2,792,000
Western Montana College	1,246,000
Montana College of Mineral Sciences and Technology	1,089,000
Charlo Water Supply Bonds	5,000
Other Long-Term Debt (LTD)	
Employment Security Division Building mortgage bonds. Issued $1,390,000, 8%, due in payments of $123,330 in 1984 and $15,690 in 1988	447,360
Total Bonded Long-Term Debt	$ 172,556,360

The full faith, credit and taxing powers of the State are pledged for the payment of all general obligation debt listed above. The revenue bonds and mortgage bonds are secured by a pledge of resources from the facilities to which they relate and by certain other revenues, fees and assets of the State and the various colleges and universities.

Debt service requirements for principal and interest for all bonded long-term debt is as follows:

For the Year Ending June 30	Gen Oblig. Bonds	Revenue Bonds	Other LTD	Total Requirements
1984	$ 8,138,870	$ 8,254,023	$ 60,000	$ 16,452,893
1985	7,849,858	9,467,138	60,000	17,376,996
1986	7,552,907	9,197,689	60,000	16,810,596
1987	7,263,258	19,661,913	60,000	26,985,171
1988	6,965,322	19,788,767	13,786	26,767,875
1989-2010	69,913,938	95,370,095		165,284,033
Total	$ 107,684,153	$ 161,739,625	$ 253,786	$ 269,677,564*

*Includes $109,360,706 representing Bonds to be refunded as described below.

A summary of changes in General Long-Term Debt for the year ending June 30, 1983 follows:

	Balance July 1, 1982	Issues	Redemptions	Balance June 30, 1983
General Obligation Bonds	$ 60,935,000	$	$ 2,995,000	$ 57,940,000
Revenue Bonds	52,177,500	65,350,000	3,358,500	114,169,000
Other Long-Term Debt	577,433		130,073	447,360
Total	$ 113,689,933	$ 65,350,000	$ 6,483,573	$ 172,556,360**

**Amounts available in Debt Service Funds at June 30, 1983 to service General Obligation Bonds, Revenue Bonds, and Other Long-Term Debt are $22,152,033, $1,040,606, and $0, respectively.

Board of Housing Revenue Bonds

The Montana Board of Housing (Housing Authority) is authorized to have an aggregate of $675 million of housing mortgage bonds outstanding. The bonds are payable from mortgage loan repayments and investment earnings. All bonds issued to date are secured by federally insured or guaranteed mortgages. Statutory provisions exist wherein the Governor may include in the executive budget submitted to the Legislature the sum required to fund possible future deficiencies in required reserves. Although the Legislature is not legally required to appropriate such deficiencies, such revenue bonds are commonly referred to as moral obligation bonds of the State. The board issued $30 million in bonds during fiscal year 1983. Bonds outstanding at June 30, 1983 were as follows:

Single-Family Mortgage Bonds	$ 323,745,000
Multi-Family Mortgage Bonds	$ 15,245,000
Total	$ 338,990,000

Refunding Bonds

On August 10, 1983 the State issued general obligation refunding bonds in the amount of $58,160,000 to refund the State's obligation with respect to certain bond issues already outstanding. The proceeds of the refunding issues have been placed in an escrow account and invested in U.S. Treasury Obligations that, together with interest earned thereon, will be sufficient for future payment of principal and interest on the following refunded issues: Series 1980, Series 1981, Series 1—1965 and Series 2—1967.

Long Range Building Program Bonds

On October 17, 1983 the State issued General Obligation Long Range Building Program Bonds in the amount of $39,330,000. The proceeds of the bonds will be used in conjunction with other State funds to pay costs of constructing, renovating or purchasing land and buildings. The major projects included are:

- Expansion of the State Prison
- Construction of a new Department of Natural Resources and Conservation Building
- Expansion of Greenhouse Complex at Montana State University
- Construction of Engineering Lab/Classroom at Montana College of Mineral Science and Technology
- Construction and Renovation of Fish Hatcheries
- Expansion of Verterans' and Pioneer Memorial Building
- Statewide Airport Improvements

Water Development Bonds

On October 17, 1983 the State issued General Obligation Water Development Bonds in the amount of $1,300,000. The proceeds of the bonds will be used to make loans to political subdivisions and private individuals in the State for various water development projects. The bonds are general obligations of the State and are additionally secured by a pledge of certain coal severance taxes. The bonds represent the first of a $5 million issue authorized by the 1981 Legislature. The remaining $3.7 million have not been sold.

Highway Revenue Bond Anticipation Notes

On September 1, 1983 the State Department of Highways issued Highway Revenue Bond Anticipation Notes in the amount of $39,075,000. The Note proceeds together with investment income thereon and other available funds, are expected to be used to finance a portion of the cost of construction of certain designated public highways within the State. The Notes are limited obligations of the State, payable solely from proceeds of anticipated Department of Highways refunding bonds or notes to the extent not paid from other sources.

Authorized but Unissued

A bond issue of $5,000,000 was authorized by the 1975 Legislature for the issuance of renewable resource development bonds. The issue has not been sold.

7. PENSION PLANS AND DEFERRED COMPENSATION PLAN

Pension Plans

The State maintains nine pension systems. All the systems provide basic retirement benefits, including early retirement, disability, regular retirement, and death benefits. All systems also provide for termination payments. The nine pension systems are:

1. Public Employees' Retirement System
2. Teachers' Retirement System
3. Judges' Retirement System
4. Highway Patrolmen's Retirement System
5. Sheriffs' Retirement System
6. Game Wardens' Retirement System
7. Municipal Police Officers' Retirement System
8. Volunteer Firefighters' of Unincorporated Areas Retirement System
9. Firefighters' Unified Retirement System

All the systems except Teachers' Retirement are administered by the Public Employees' Retirement Division.

The two largest and most significant pension plans are the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS).

Public Employees Retirement System

PERS, a mandatory system, provides pension services to employees of the State and participating political subdivisions. The system is funded on an "entry-age normal cost basis. This method establishes a "normal cost for each member, as well as an unfunded accrued liability. The annual normal cost is the level percentage of annual salary required to fund the benefits, assuming that percentage had been contributed since the member's entry into the system. To maintain the fund on an actuarially sound basis, the rate of contributions should fund the normal cost in addition to amortizing the unfunded liability over a period of 40 years.

PERS members are eligible for retirement benefits at age 60 with a minimum of 5 years of service. Early retirement, at an actuarially reduced benefit, may be taken at age 50 with 5 years of service. An employee with 30 years of service may retire at any age; with 25 years of service at an actuarially reduced benefit amount.

The system is funded by contributions from employees and employers. The contribution rates, based on gross wages, are 6% for employees and 6.32% for employers.

Actuarial valuations are performed every two years. The last completed valuation was for the period ended June 30, 1982. On that date, the unfunded liability was $273.5 million.

The PERS balance sheet reports book value of assets as of June 30, 1983 of $379.2 million. The aggregate market value of securities was $286.4 million. According to the actuarial assumptions employed, the consulting actuaries concluded that the current contribution rate of 12.32% is sufficient to meet currently accruing liabilities of the system and amortize the existing unfunded liability within a period of 42.47 years. Investment of available funds at 7% was assumed.

PERS had approximately 26,879 active members, 8,774 inactive members, and 6,716 retired members as of June 30, 1982. Members become vested after five years of membership.

Teachers Retirement System

TRS is operated by the Teachers Retirement Division. It provides retirement services and membership is mandatory for all persons employed as teachers or professional staff of any public elementary or secondary school or unit of the university system. Membership is also available to any person employed by the Superintendent of Public Instruction (where job duties pertain to instructional services) and any member of the instructional staff of various State custodial institutions. The TRS, as of June 30, 1981, had 14,936 active and 4,486 retired members. Members become vested after five years of membership.

As with PERS, the Teachers Retirement System utilizes the "entry-age normal funding basis. Contributions are paid by employees (6.187% in 1983 and 7.044% in 1984) and employers (6.432% in 1983 and 7.32% in 1984) on gross salaries.

Actuarial valuations are performed every two years. The last valuation was for the period ended June 30, 1981. On that date, the unfunded liability was $402.6 million. The period required to fund currently maturing liabilities of the system and amortize the existing unfunded liability is 48.5 years at a recommended contribution rate of 13.339%. Investment of available funds at 7% is assumed. The book value of assets as of June 30, 1983 was $290.2 million. The aggregate market value of securities was $213.6 million.

TRS members are eligible for retirement at the same ages as PERS members with the requirement that the last 5 years of eligible employment be within Montana. The system has a mandatory retirement age of 70, with exceptions granted university staff by the Board of Regents.

The last reported disclosures for the two major pension systems were:

		PERS	TRS
Participating Employees (6-30-83)		35,559	22,687
Pension Plan Expense (6-30-83)		792,000	536,000
Employee Contributions (6-30-83)		22,671,919	20,786,014
Employer Contributions (6-30-83)		23,151,520	20,158,344
Actuarial Present Value of vested accumulated plan benefits:			
	(6-30-82)	460,966,205	
	(6-30-81)		413,870,000
Actuarial present value of nonvested accumulated plan benefits:			
	(6-30-82)	15,966,315	
	(6-30-81)		11,810,000
Net Assets available for benefits	(6-30-83)	370,839,615	284,130,828
Unfunded liability:			
	(6-30-82)	273,524,351	
	(6-30-81)		402,612,325
Assumed Rate of Return used by actuary		7%	7%
Assumed inflationary increase for future salaries		5.5%	5.5%

The unfunded liabilities in the other seven systems as of June 30, 1982 were:

Highway Patrol Retirement System	$ 10,872,809
Game Wardens Retirement System	4,169,898
Sheriffs Retirement System	2,819,340
Montana Judges' Retirement System	5,561,446
Municipal Police Retirement System	31,062,325
Volunteer Firefighters Retirement System(1)	-0-
Unified Firefighters Retirement System	41,340,507

(1) The Volunteer Firefighters Retirement System has no unfunded liability because it is required by law to be fully funded and cannot pay benefits unless money is available.

Deferred Compensation

Since 1976, the State of Montana has offered a deferred compensation plan which allows employees to defer state and federal income taxes on a portion of their salaries. All employees of the State are eligible to participate. The plan operates under the sanction of both state and federal laws.

Participants' rights created under the plan are equivalent to those of general creditors of the State and only in an amount equal to the fair market value of the deferred account maintained with respect to the participant, determined as if the deferred amounts had been invested pursuant to the participants' investment specifications. It is the opinion of the Department of Administration's legal counsel that the state has no liability for losses under this plan, but does have the duty of care which would be required of an ordinary prudent investor. As of June 30, 1983, the net assets of the plan available for benefits totalled $16,039,884.

8. FIXED ASSETS

Fixed asset balances as of June 30, 1983 and the changes since June 30, 1982 follow:

	6-30-82 Balance	Net Additions (Reductions)	6-30-83 Balance
PROPRIETARY FUNDS			
Land	$ 918,620	$ 6,303	$ 924,923
Buildings & Improvements	2,835,608	140,429	2,976,037
Equipment	37,919,547	6,881,796	44,801,343
Other Fixed Assets	200,465	1,580,941	1,781,406
Construction in Progress	306,401	(11,645)	294,756
Total	$ 42,180,641	$ 8,597,824	$ 50,778,465
Less Accumulated Depreciation			(20,723,474)
Total			$ 30,054,991
NONEXPENDABLE TRUST FUNDS			
Land	$ 49,398,756	0	$ 49,398,756
Total	$ 49,398,756	0	$ 49,398,756
HIGHER EDUCATION FUNDS			
Land	$ 2,082,278	$ 5,406,002	$ 7,488,280
Buildings & Improvements	150,127,428	34,284,740	184,412,168
Equipment	25,443,796	19,011,647	44,455,443
Other Fixed Assets	19,524,363	3,947,791	23,472,154
Construction in Progress	19,464,984	9,893,033	29,358,017
Total	$ 216,642,849	$ 72,543,213	$ 289,186,062
GENERAL FIXED ASSETS ACCOUNT GROUP*			
Land	$ 30,429,103	$ 3,606,701	$ 34,035,804
Buildings & Improvements	112,150,191	10,781,798	122,931,989
Equipment	32,812,120	6,575,782	39,387,902
Other Fixed Assets	735,852	105,100	840,952
Construction in Progress	22,009,150	7,286,445	29,295,595
Total	$ 198,136,416	$ 28,355,826	$ 226,492,242

*Montana does not include purchased and donated art collections held by the Montana Historical Society on the balance sheet. It is not feasible to value these assets in accordance with generally accepted accounting principles. For insurance purposes, the collections have been valued at $29,994,569.

9. CONTINGENCIES

The State is a defendant in numerous lawsuits involving tort claims which are either covered under the State's self-insurance plan or by private insurance. The State has a self-insurance plan whereby certain reserves are established in the budget for each fiscal year to provide for payment of liabilities which may be incurred. With regard to the pending litigation, it is the opinion of the Attorney General and the Department of Administration counsel that the level of coverage and reserves are adequate and that such pending litigation will not be finally determined so as to result individually or in the aggregate in a final judgment against the State which would materially affect its financial position. Any noncovered judgments are referred to the Legislature for consideration in establishing the next biennial budget.

The State is the principal defendant in several lawsuits challenging the imposition of oil, gas and coal severance taxes on Indian reservations and related lands. In 1978 the Crow Tribe of Indians commenced a suit in federal district court for a declaratory judgment that the imposition of the Coal Severance Tax on coal beneficially owned by the Tribe is invalid. Although the district court dismissed the complaint, the Ninth Circuit Court of Appeals reversed the district court's decision in July 1981 and the State's petition for certiorari to the U.S. Supreme Court was denied on October 12, 1982. On November 19, 1982, the Crow Tribe amended its complaint to seek a refund of all coal severance and gross proceeds taxes paid. On January 6, 1983, the district court granted the Crow Tribe's motion to escrow tax payments pending the outcome of litigation. The State estimates that approximately $50 million of severance taxes have been paid since 1975 that possibly could be affected by the case. In addition, $10 million of taxes on coal production has been paid to Big Horn County. The State considers that it has meritorious defenses to the claims and intends to vigorously defend the action. It further estimates that a trial and possible appeals will take several years. If the Tribe should prevail the State Legislature could, upon a three-fourths vote of the members of each house, appropriate funds from the coal severance tax trust fund to pay any judgment in favor of the Tribe. The State believes there will be sufficient funds in said trust fund to pay any such judgment.

The Blackfeet Tribe of Indians sued in 1978 for a declaratory judgment that all taxes on production of oil and gas beneficially owned by the Tribe are invalid. The federal district court dismissed the complaint and the Tribe appealed to the Ninth Circuit Court of Appeals. In December 1982, the court of appeals upheld the judgment of the district court. The Tribe has petitioned for rehearing. The rehearing has been granted and will be heard before an eleven member panel in November, 1983. Various oil and gas producers have paid taxes amounting to approximately $5 million under protest during the pendency of the case. The State believes that it has meritorious defenses to the claims.

The Department of Revenue is the defendant in a lawsuit brought by two savings and loan associations protesting the inclusion of interest income from federal obligations in the determination of net income for purposes of the Montana corporation license tax. On September 23, 1982, the Montana Supreme Court reversed a district court ruling and held that the inclusion of interest on federal obligations is not permissible under federal statutes. The Department of Revenue's Petition for Certiorari with the U.S. Supreme Court was denied June 20, 1983. However, Senate Bill 335, passed by the 1983 Legislature, resolved the issue in favor of the State, and made application retroactive. Administrative challenges to the constitutionality of the legislation have been filed and litigation is contemplated. The Department estimates that approximately $8.6 million is at issue. Of such amount $1.7 million would be from the State and $6.9 million would be from local government units.

The State receives federal grants and entitlements for specific purposes which are subject to review and audit by the grantor agencies. Any disallowances as a result of these audits would become a liability of the State. As of June 30, 1983, the State estimates that no material liabilities will result from such audits.

10. LEASES

The State has entered into various capital and operating leases for land, buildings and equipment. Lease contracts are required by law to contain a clause indicating continuation of the lease is subject to funding by the Legislature. It is expected that in the normal course of operations most of these leases will be replaced by similar leases.

Future minimum lease payments under the capital leases are as follows:

Fiscal Year Ending June 30	
1984	$ 997,621
1985	690,617
1986	281,310
1987	107,813
1988	97,825
After 1988	1,082,029
Total minimum lease payments	$ 3,257,215

Future rental payments for operating leases are as follows:

Fiscal Year Ending June 30	
1984	$ 1,634,933
1985	1,204,225
1986	514,192
1987	346,227
1988	213,898
After 1988	83,330
Total future rental payments	$ 3,996,805

The State Department of Administration was authorized to enter into a ten year interest bearing lease purchase contract, subject to biennial approprition, for the purchase of a telephone system. The system was financed in September 1983 by the delivery of $11,000,000 certificates of participation in the lease purchase contract.

11. SEGMENT INFORMATION

The State has two major enterprise operations—the Housing Authority and the Liquor Division of the Department of Revenue.

The Housing Authority provides financing to qualified individuals to purchase residential housing. In order to do so, the board issues bonds and carries federally insured mortgage notes.

The Liquor Division of the Department of Revenue administers the state liquor operations. In addition to selling liquor and wines, the division issues licenses and permits to wholesalers and retailers and collects taxes.

Selected financial information concerning these enterprises is as follows (expressed in thousands):

	Housing Authority(1)	Liquor Division
Operating Revenues	$ 29,453	$ 53,838
Depreciation	(*)	109
Operating Transfers In (Out)	0	(15,265)
Operating Income (Loss)	3,585	15,706
Net Property, Plant & Equip. Additions	8	56
Net Working Capital	(1,129)	6,650
Total Assets	359,297	13,161
Bonds Payable From Operating Revenues	331,806	0
Total Equity	21,636	8,512

(1) Source: Montana Board of Housing Financial Report, Fiscal Year 1983.

(*) Fixed assets are reported net of depreciation; no dollar amount is available.

12. SHORT-TERM DEBT

The Board of Examiners, upon recommendation by the Department of Administration, may issue notes in anticipation of the receipt of taxes and/or revenues as the legal demands on the treasury during any fiscal year make it necessary. No more than $50 million may be outstanding at any point in time. The notes must be redeemed before June 30 of the fiscal year in which issued. No short-term notes may be issued to refund outstanding short-term notes. During fiscal year 1983, $47 million principal amount of such notes were issued. These Tax and Revenue Anticipation Notes were redeemed on June 29, 1983.

13. COMMITMENTS

The State has major long-term commitments under unperformed contracts. As of June 30, 1983, material commitments were related to projects for state highway and building construction in the following amounts:

Department of Highways contracts	$ 82,634,595
Department of Administration	
Architecture & Engineering Division contracts	$ 18,978,907

14. FUND DEFICITS

Two funds have a deficit in fund equity as of June 30, 1983. The Capitol Land Grant Fund has a deficit of $725,000. State statute has appropriated to a debt service fund an amount from the Capitol Land Grant Fund sufficient to pay the principal and interest on bonds issued to improve the state capitol. In fiscal year 1983, revenues were insufficient to meet this requirement. An interentity loan was granted from the General Fund to the Capitol Land Grant Fund. This loan was repaid in October 1983.

The fund equity deficiency in the Unemployment Insurance Fund is the result of borrowing from the Federal government. (See Note 15).

15. UNEMPLOYMENT COMPENSATION

Unemployment compensation benefits are funded in the State through unemployment compensation taxes levied against employers. The moneys collected from this tax are deposited in the Unemployment Insurance Clearing Account and subsequently transferred daily to a trust fund in Washington, D.C., the trustee of which is the United States Secretary of the Treasury. The moneys are then transferred back to the State on the basis of a weekly request by the Montana Department of Labor and Industry to pay benefits incurred in that week. The moneys then received are deposited in the Montana Unemployment Insurance Benefit Account and are disbursed as unemployment insurance benefit payments.

If the State trust fund is insufficient to meet demands, the State may borrow from the Federal trust fund. As of June 30, 1983, the State had borrowed approximately $8.6 million from the Federal Unemployment Trust Fund. The Montana Department of Labor and Industry anticipates borrowing approximately $18 million for the period January, 1984 through April, 1984. Legislation was passed by the 1983 Legislature to allow for payment of future interest expense.

16. REDUCTION IN VALUE OF LIVESTOCK

Livestock at the Prison Ranch is recorded at market value. The change in the market value of the livestock from year to year is the result of several factors including fluctuating market prices, change in the number of head of livestock, and changes in the animals' weight.

17. NONEXPENDABLE TRUST INVESTMENT INCOME

All investments are recorded in the nonexpendable trust fund type on the full accrual basis. However, investment earnings attributable to these trusts are recorded elsewhere, as summarized below:

Nonexpendable Trust Funds	Reporting of Investment Earnings
Permanent Coal Tax Trust	Investment earnings are reported in the General Fund.
Education Trust	Ten percent of investment earnings stay in the Education Trust Fund; 67.5% goes to the Office of Public Instruction for public schools and the remaining 22.5% goes to the Board of Regents for Higher Education, both in the State Special Revenue Fund.
Resource Indemnity Tax Trust	Investment earnings are recorded in a separate accounting entity (Resource Indemnity Trust Fund Interest) in the State Special Revenue Fund.
Parks, Cultural and Aesthetic Projects	Investment earnings are distributed two-thirds to the Department of Fish, Wildlife and Parks and one-third to the Historical Society, both in the State Special Revenue Fund.

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COMBINING FINANCIAL STATEMENTS

These basic financial statements provide the financial position and results of operations, by fund, for each fund type maintaining more than one fund.

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SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditure for specified purposes.

DESCRIPTION OF
SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 1983

State Special Revenue Fund - This fund accounts for money from State sources that is earmarked for the purpose of defraying particular costs of an agency, program or function.

Federal Special Revenue Fund - This fund accounts for money from federal sources that is used for the operation of state government.

Other Special Revenue Funds - There are five funds included in this group:

1. Revolving - This fund accounts for resources used to defray reimbursable expenditures.

2. Private Donations - This fund accounts for private donations that are used for the operation of state government.

3. Interest and Income - This fund accounts for the interest and income from lands granted to state institutions.

4. Insurance Reimbursements - This fund accounts for insurance proceeds from damage to state property. Proceeds are used to repair or replace the damaged property or are transferred to the fund from which insurance premiums are paid.

5. Assessments - This fund accounts for resources received from miscellaneous assessments charged to private individuals and businesses. The resources were primarily used for hospital patient care, wheat research and marketing, and fire prevention on state and federal lands.

STATE OF MONTANA
Combining Balance Sheet
All Special Revenue Funds
June 30, 1983
(Expressed in Thousands)

	STATE	FEDERAL	OTHER	TOTAL (Memo Only)
ASSETS				
Cash and Cash Equivalents	$ 93,874	$ 17,548	$ 3,518	$ 114,940
Cash with Fiscal Agent	1,700			1,700
Receivables (Net)	6,224	1,845	2,424	10,493
Interentity Loans Receivable	21,328	455		21,783
Due from Other Governments	149	39,234	158	39,541
Due from Other Funds	39,811	6,690	2,653	49,154
Inventories	372	10	14,466	14,848
Advances to Investment Pool	21,682	1,183	787	23,652
Long-Term Notes Receivable	7,202	1,577		8,779
Investments	21,383		2	21,385
Other Assets	751	1,565	1	2,317
Total Assets	**$ 214,476**	**$ 70,107**	**$ 24,009**	**$ 308,592**
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts Payable & Accruals	$ 7,458	$ 32,031	$ 1,516	$ 41,005
Interentity Loans Payable	800	16,616	3,700	21,116
Due to Other Funds	21,426	9,324	1,458	32,208
Due to Other Governments		2,990		2,990
Other Payables		1,347		1,347
Deferred Revenues	9,910	7,799	496	18,205
Property Held in Trust	548		1	549
Total Liabilities	**40,142**	**70,107**	**7,171**	**117,420**
Fund Equity:				
Reserved For:				
Inventories	371		14,466	14,837
Long-Term Assets	4,508			4,508
Encumbrances	8,656		398	9,054
Federal Loans and Special Trusts	10,289			10,289
Continuing Appropriations	16,327			16,327
Unreserved	134,183		1,974	136,157
Total Fund Equity	**174,334**	**0**	**16,838**	**191,172**
Total Liabilities and Fund Equity	**$ 214,476**	**$ 70,107**	**$ 24,009**	**$ 308,592**

The notes to the financial statements are an integral part of this statement.

STATE OF MONTANA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
All Special Revenue Funds
For the Fiscal Year Ended June 30, 1983
(Expressed in Thousands)

	STATE	FEDERAL	OTHER	TOTAL (Memo Only)
REVENUES:				
Licenses and Permits	$ 33,894	$	$ 80	$ 33,974
Taxes:				
Individual Income	38,176			38,176
Corporate Income	11,628			11,628
Gas, Oil and Coal Production	14,150			14,150
Other	97,803		2,442	100,245
Service Fees and Fines	6,485	172	1,006	7,663
Investment Earnings	29,162	86	100	29,348
Reimbursements	380	4,470	1,560	6,410
Sale of Doc. Mdse. & Property	516	72	493	1,081
Rentals, Leases and Royalties	94	52	313	459
Fiduciary and Trust	42			42
Other	844	216	260	1,320
Grants and Gifts	7	6,455	772	7,234
Federal Assistance	21,392	259,366	744	281,502
Total Revenues	254,573	270,889	7,770	533,232
EXPENDITURES:				
Current:				
General Government	17,579	1,208	206	18,993
Public Safety & Corrections	11,727	3,256	534	15,517
Transportation	75,491	84,796	191	160,478
Health and Social Services	7,614	127,525	9,613	144,752
Education and Cultural	154,182	3,876	1,089	159,147
Resource Dev. and Recreation	23,001	9,463	1,333	33,797
Economic Development and Assistance	12,594	17,966	991	31,551
Capital Outlay	2,340	4,710	92	7,142
Total Expenditures	304,528	252,800	14,049	571,377
Excess of Revenues over (under) Expenditures	(49,955)	18,089	(6,279)	(38,145)
PRIOR YEAR ADJUSTMENTS	(16,161)	(3,533)	175	(19,519)
OTHER FINANCING SOURCES (USES):				
Bond Proceeds	50,120			50,120
Operating Transfers In (Out)	36,733	(14,647)	5,005	27,091
Increase (Decrease) in Inventories	6	(9)	1,827	1,824
Total Other Financing Sources (Uses)	86,859	(14,656)	6,832	79,035
PRIOR YEAR TRANSFER ADJUSTMENTS	(31,661)	100	(195)	(31,756)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(10,918)	0	533	(10,385)
FUND BALANCES—JULY 1—As Previously Stated	188,851	0	16,052	204,903
PRIOR PERIOD ADJUSTMENTS (See Note 3)	(3,599)	0	253	(3,346)
FUND BALANCES—July 1—As Restated	185,252	0	16,305	201,557
FUND BALANCES—JUNE 30	$ 174,334	$ 0	$ 16,838	$ 191,172

The notes to the financial statements are an integral part of this statement.

STATE OF MONTANA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (Budget Basis)
All Special Revenue Funds
For the Fiscal Year Ended June 30, 1983
(Expressed in Thousands)

	STATE			FEDERAL		
	BUDGET	ACTUAL	VARIANCE-FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE-FAVORABLE (UNFAVORABLE)
REVENUES:						
Licenses and Permits	$ 24,076	$ 33,876	$ 9,800	$	$	$
Taxes:						
Gas, Oil and Coal Production	14,480	14,150	(330)			
Individual Income	38,181	37,950	(231)			
Corporate Income	12,528	11,534	(994)			
Fuel	101,963	97,803	(4,160)			
Miscellaneous						
Service Fees and Fines	6,837	6,469	(368)	1		(1)
Investment Earnings	1,357	1,563	206			
Reimbursements	324	266	(58)	5,878	4,156	(1,722)
Sale of Documents, Merchandise and Property	552	418	(134)	244	70	(174)
Rentals, Leases and Royalties	146	88	(58)	46	52	6
Fiduciary and Trust	37	42	5			
Grants and Gifts	5	4	(1)	731	469	(262)
Federal Assistance	12,117	18,469	6,352	157,445	145,546	(11,899)
Other	780	804	24	110,777	119,437	8,660
Total Revenues	213,383	223,436	10,053	275,122	269,730	(5,392)
EXPENDITURES:						
General Government	25,464	17,589	7,875	2,531	1,209	1,322
Public Safety and Corrections	12,352	11,767	585	5,155	3,254	1,901
Transportation	82,628	79,736	2,892	108,458	85,338	23,120
Health and Social Services	8,920	7,681	1,239	135,623	124,585	11,038
Education and Cultural	153,224	151,327	1,897	4,037	3,569	468
Resource Development and Recreation	27,689	22,684	5,005	14,496	9,029	5,467
Economic Development and Assistance	25,095	12,899	12,196	18,353	15,280	3,073
Capital Outlay	5,100	2,332	2,768	9,648	4,710	4,938
Total Expenditures	340,472	306,015	34,457	298,301	246,974	51,327
Excess of Revenues over (under) Expenditures	(127,089)	(82,579)	44,510	(23,179)	22,756	45,935
PRIOR YEAR ADJUSTMENTS	218	218	0	(339)	(339)	0
OTHER FINANCING SOURCES (USES):						
Bond Proceeds	50,120	50,120	0			
Operating Transfers In (Out)	31,572	38,440	6,868	(22,372)	(11,467)	10,905
Total Other Financing Sources	81,692	88,560	6,868	(22,372)	(11,467)	10,905
PRIOR YEAR TRANSFER ADJUSTMENT	4	4	0	17	17	0
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(45,175)	6,203	51,378	(45,873)	10,967	56,840
FUND BALANCE—July 1	188,851	188,851	0	(5,781)	(5,781)	0
FUND BALANCE—JUNE 30	$ 143,676	$ 195,054	$ 51,378	$ (51,654)	$ 5,186	$ 56,840

The notes to the financial statements are an integral part of this statement.

OTHER			TOTAL (Memorandum Only)		
BUDGET	ACTUAL	VARIANCE-FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE-FAVORABLE (UNFAVORABLE)
$ 85	$ 80	$ (5)	$ 24,161	$ 33,956	$ 9,795
			14,480	14,150	(330)
			38,181	37,950	(231)
			12,528	11,534	(994)
			101,963	97,803	(4,160)
2,329	2,442	113	2,329	2,442	113
1,339	1,006	(333)	8,177	7,475	(702)
65	78	13	1,422	1,641	219
2,088	1,542	(546)	8,290	5,964	(2,326)
478	485	7	1,274	973	(301)
340	312	(28)	532	452	(80)
			37	42	5
914	770	(144)	1,650	1,243	(407)
704	744	40	170,266	164,759	(5,507)
245	247	2	111,802	120,488	8,686
8,587	**7,706**	**(881)**	**497,092**	**500,872**	**3,780**
172	169	3	28,167	18,967	9,200
508	498	10	18,015	15,519	2,496
237	191	46	191,323	165,265	26,058
10,061	9,549	512	154,604	141,815	12,789
1,224	1,079	145	158,485	155,975	2,510
1,518	1,478	40	43,703	33,191	10,512
1,167	1,029	138	44,615	29,208	15,407
77	77	0	14,825	7,119	7,706
14,964	**14,070**	**894**	**653,737**	**567,059**	**86,678**
(6,377)	(6,364)	13	(156,645)	(66,187)	90,458
102	102	0	(19)	(19)	0
			50,120	50,120	0
6,437	5,144	(1,293)	15,637	32,117	16,480
6,437	5,144	(1,293)	65,757	82,237	16,480
(18)	(18)	0	3	3	0
144	**(1,136)**	**(1,280)**	**(90,904)**	**16,034**	**106,938**
16,052	16,052	0	199,122	199,122	0
$ 16,196	**$ 14,916**	**$ (1,280)**	**$ 108,218**	**$ 215,156**	**$ 106,938**

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for the payment of general long-term debt principal and interest.

DESCRIPTION OF
DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 1983

Long Range Building Program - This fund accounts for resources pledged to the payment of all long range building program bonds and interest. Revenues recorded in this fund in excess of principal, interest and reserve requirments are transferred to the General Fund.

Highways' Building and Complex - This fund accounts for gasoline taxes pledged for the payment of principal and interest on bonds issued for the purpose of acquiring a site, erecting and equipping the Montana Department of Highways headquarters building and complex.

Highway Revenue Bonds - This fund accounts for gasoline taxes pledged for payment of principal and interest on bonds issued for the purpose of constructing highways in Montana.

Other Debt Service Funds - There are two funds included in this group.

1. Department of Social and Rehabilitative Services (SRS) Building - The building occupied by SRS is owned by the Teachers' Retirement System and is leased to the State through a lease-purchase agreement. This fund accounts for the lease payments to the retirement system.

2. Charlo Water Supply Project - This fund accounts for money received from the Charlo Water Users Association to retire Charlo Water Users bonds.

STATE OF MONTANA
Combining Balance Sheet
All Debt Service Funds
June 30, 1983
(Expressed in Thousands)

	LONG RANGE BUILDING PROGRAM	HIGHWAY BUILDING	HIGHWAY REVENUE BONDS	OTHER	TOTAL (Memo Only)
ASSETS					
Cash and Cash Equivalents	$ 5,604	$ 497	$ 6,186	$ 33	$ 12,320
Receivables (Net)	1,218		69		1,287
Due from Other Funds	2				2
Advances to Investment Pool			459		459
Investments	3,820	629	6,466		10,915
Total Assets	**$ 10,644**	**$ 1,126**	**$ 13,180**	**$ 33**	**$ 24,983**
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts Payable and Accruals	$ 35	$ 143	$	$	$ 178
Due to Other Funds	1				1
Deferred Revenue	990				990
Current Notes and Bonds Payable		290			290
Total Liabilities	**1,026**	**433**	**0**	**0**	**1,459**
Fund Equity:					
Reserved for Debt Service	9,618	693	13,180	33	23,524
Total Fund Equity	**9,618**	**693**	**13,180**	**33**	**23,524**
Total Liabilities and Fund Equity	**$ 10,644**	**$ 1,126**	**$ 13,180**	**$ 33**	**$ 24,983**

The notes to the financial statements are an integral part of this statement.

STATE OF MONTANA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
All Debt Service Funds
For the Fiscal Year Ended June 30, 1983
(Expressed in Thousands)

	LONG RANGE BUILDING	HIGHWAY BUILDING	HIGHWAY REVENUE BONDS	OTHER	TOTAL (Memo Only)
REVENUES:					
Taxes:					
Gas, Oil and Coal Prod.	$	$	$	$ 1,000	$ 1,000
Individual Income	16,797				16,797
Corporate	3,605				3,605
Other	8,305				8,305
Investment Earnings	1,118	66			1,184
Grants and Gifts				3	3
Total Revenues	**29,825**	**66**	**0**	**1,003**	**30,894**
EXPENDITURES:					
Debt Services:					
Principal Retirement	3,444	290			3,734
Interest and Fiscal Charges	5,619	287			5,906
Total Expenditures	**9,063**	**577**	**0**	**0**	**9,640**
Excess of Revenues over (under) Expenditures	20,762	(511)	0	1,003	21,254
PRIOR YEAR ADJUSTMENTS	59	0	0	0	59
OTHER FINANCING SOURCES (USES):					
Bonds Proceeds			13,180		13,180
Operating Transfers In (Out)	(20,374)	571		(2,066)	(21,869)
Total Other Financing Sources (Uses)	(20,374)	571	13,180	(2,066)	(8,689)
PRIOR YEAR TRANSFER ADJUSTMENTS	0	0	0	(5)	(5)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	**447**	**60**	**13,180**	**(1,068)**	**12,619**
FUND BALANCE—July 1—As Previously Stated	9,032	633	0	1,101	10,766
PRIOR PERIOD ADJUSTMENTS (See Note 3)	139	0	0	0	139
FUND BALANCE—July 1—As Restated	9,171	633	0	1,101	10,905
FUND BALANCE—June 30	**$ 9,618**	**$ 693**	**$ 13,180**	**$ 33**	**$ 23,524**

The notes to the financial statements are an integral part of this statement.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major governmental general fixed assets.

DESCRIPTION OF
CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 1983

Long Range Building Program - This fund is maintained to account for resources received and expended for the State's long range building program. The long-range building program includes costs for the acquisition, construction and improvement of major fixed assets financed by general obligation bonds and interest earned on bond proceeds.

Capital Land Grant - This fund accounts for revenues and expenditures from the capital land grant. Revenues are dedicated for the purpose of constructing capital buildings or additions thereto. Revenues may be transferred to a debt service fund for the payment of principal and interest on bonds issued for capital building construction.

Federal and Private Construction Grants - This fund accounts for federal grants, private donations and federal matching funds that are restricted to general fixed asset construction.

STATE OF MONTANA
Combining Balance Sheet
All Capital Projects Funds
June 30, 1983
(Expressed in Thousands)

	LONG RANGE BUILDING	CAPITOL LAND GRANT	FED. & PRIV. CONST. GRANT	TOTAL (Memo Only)
ASSETS				
Cash and Cash Equivalents	$ 12,541	$ 33	$ 143	$ 12,717
Receivables (Net)	1,161	30		1,191
Due from Other Funds		3	(51)	(48)
Advances to Investment Pool	12,233			12,233
Investments	6,996			6,996
Other Assets		14		14
Total Assets	$ 32,931	$ 80	$ 92	$ 33,103
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts Payable & Accruals	$ 753	$ 8	$ 37	$ 798
Interentity Loans Payable		796		796
Due to Other Funds	(19)	1	1	(17)
Other Payables			54	54
Deferred Revenue	718			718
Total Liabilities	1,452	805	92	2,349
Fund Equity:				
Reserved For:				
Encumbrances	12	22		34
Continuing Appropriations	78,324		14,617	92,941
Unreserved	(46,857)	(747)	(14,617)	(62,221)
Total Fund Equity	31,479	(725)	0	30,754
Total Liabilities and Fund Equity	$ 32,931	$ 80	$ 92	$ 33,103

The notes to the financial statements are an integral part of this statement.

STATE OF MONTANA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
All Capital Projects Funds
For the Fiscal Year Ended June 30, 1983
(Expressed in Thousands)

	LONG RANGE BUILDING	CAPITOL LAND GRANT	FED. & PRIV. CONST. GRANT	TOTAL (Memo Only)
REVENUES:				
Cigarette and Tobacco Tax	$ 2,857	$	$	$ 2,857
Investment Earnings	5,348	4		5,352
Sale of Documents, Merchandise and Property		281		281
Rentals, Leases, & Royalties		564		564
Total Revenues	8,205	849	0	9,054
EXPENDITURES:				
General Government	608	830		1,438
Capital Outlay	17,780	5	541	18,326
Total Expenditures	18,388	835	541	19,764
Excess of Revenues over (under) Expenditures	(10,183)	14	(541)	(10,710)
PRIOR YEAR ADJUSTMENTS	73	42	(8)	107
OTHER FINANCING SOURCES (USES):				
Operating Transfers In (Out)	1,146		550	1,696
Total Other Financing Sources	1,146	0	550	1,696
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(8,964)	56	1	(8,907)
FUND BALANCE—July 1—As Previously Stated	39,808	(785)	(1)	39,022
PRIOR PERIOD ADJUSTMENTS (See Note 3)	635	4	0	639
FUND BALANCE—July 1—As Restated	40,443	(781)	(1)	39,661
FUND BALANCE—June 30	$ 31,479	$ (725)	$ 0	$ 30,754

The notes to the financial statements are an integral part of this statement.

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that provide goods or services to the public on a user charge basis.

DESCRIPTION OF
ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 1983

Liquor Stores - This fund accounts for activities related to the sale and distribution of alcoholic beverages within the State. Profits are used to finance General Fund expenditures.

Housing Authority - This fund is maintained to account for activities of the Board of Housing. The Board issues bonds and carries federally insured mortgage notes to provide qualified individuals with financing to purchase residential housing.

West Yellowstone Airport - This fund, administered by the Department of Commerce, accounts for operations of the airport at West Yellowstone. User airlines are assessed rent and landing fees.

State Employee Group Benefits - This fund receives employee withholdings and State contributions to the medical self-insurance plan. The State contracted Blue Cross to oversee the administrative functions of the program.

Other Enterprise Funds - There are four funds included in this group.

1. Historical Society Merchandise Sales - This fund accounts for the Historical Society's sale of books, prints and postcards. Profits are transferred to the State special revenue fund to finance artifact restoration and painting conservation costs.

2. Historical Society Magazine Sales - This fund accounts for revenues and expenses associated with the sale of the magazine, Montana.

3. Historical Society Press - This fund receives revenues from the sale of publications, books, monographs, brochures and catalogs published by the Historical Society.

4. Leaf-Cutting Bee - Fees are collected annually from persons importing, possessing or controlling alfalfa leaf-cutting bees. Fees are used by the Department of Agriculture to reimburse costs incurred in certifying that the bees are disease free.

STATE OF MONTANA
Combining Balance Sheet
All Enterprise Funds
June 30, 1983
(Expressed in Thousands)

	LIQUOR STORES	HOUSING AUTHORITY	WEST YELLOWSTONE AIRPORT	EMPLOYEES GROUP BENEFITS	OTHER	TOTAL (Memo Only)
ASSETS						
Cash and Cash Equivalents	$ 2,421	$ 74	$ 9	$ 24	$ 102	$ 2,630
Receivables (Net)	50	4,652		61	8	4,771
Due from Other Funds	14			533		547
Inventories	8,749				152	8,901
Advances to Investment Pool				6,993		6,993
Long-Term Notes and Loans Rec.		241,661				241,661
Investments		75,852				75,852
Restricted Assets		37,043				37,043
Buildings and Improvements	1,584		390			1,974
Equipment	825	15	99		40	979
Accumulated Depreciation	(546)		(214)		(26)	(786)
Other	64					64
Total Assets	$ 13,161	$ 359,297	$ 284	$ 7,611	$ 276	$380,629
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts Payable and Accruals	$ 1,535	$ 5,036	$ 2	$ 453	$ 7	$ 7,033
Due to Other Funds	3,114		6	4	12	3,136
Deferred Revenue		819			107	926
Notes and Bonds Payable		331,806				331,806
Total Liabilities	4,649	337,661	8	457	126	342,901
Fund Equity:						
Retained Earnings:						
Reserved for Bond Retirement		19,434				19,434
Reserve for Encumbrances	57				12	69
Unreserved	8,455	2,202	276	7,154	138	18,225
Total Fund Equity	8,512	21,636	276	7,154	150	37,728
Total Liabilities and and Fund Equity	$ 13,161	$ 359,297	$ 284	$ 7,611	$ 276	$380,629

The notes to the financial statements are an integral part of this statement.

STATE OF MONTANA
Combining Statement of Revenue, Expenses, and Changes in Fund Equity
All Enterprise Funds
For the Fiscal Year Ended June 30, 1983
(Expressed in Thousands)

	LIQUOR STORES	HOUSING AUTHORITY	WEST YELLOWSTONE AIRPORT	GROUP BENEFITS	OTHER	TOTAL (Memo Only)
OPERATING REVENUES:						
Charges for Services	$ 53,838	$ 728	$	$ 13,951	$ 371	$ 68,888
Mortgage Loan & Investment Earnings		28,698				28,698
Other		27	77	671		775
Total Operating Revenues	53,838	29,453	77	14,622	371	98,361
OPERATING EXPENSES:						
Personal Services	4,777	199	49	44	147	5,216
Contractual Services	989	1,928	2	48	44	3,011
Supplies and Materials	31,102	2	2	3	121	31,230
Debt Service		23,660				23,660
Benefits				12,444		12,444
Depreciation	109				2	111
Utilities and Rent	931	17	8		14	970
Other	224	62	9	6	4	305
Total Operating Expenses	38,132	25,868	70	12,545	332	76,947
Operating Income	15,706	3,585	7	2,077	39	21,414
PRIOR YEAR ADJUSTMENTS	(4)	0	26	20	(11)	31
NONOPERATING REVENUES (EXPENSES):						
Gain on Sale of Fixed Assets	1					1
Miscellaneous					36	36
Total Nonoperating Revenue	1	0	0	0	36	37
Income before Operating Transfers	15,703	3,585	33	2,097	64	21,482
OPERATING TRANSFERS IN (OUT)	(15,265)	0	0	0	0	(15,265)
PRIOR YEAR TRANSFER ADJUSTMENTS	(45)	0	0	(25)	0	(70)
Net Income	393	3,585	33	2,072	64	6,147
RETAINED EARNINGS—JULY 1—As Previously Stated	7,926	18,051	243	5,028	83	31,331
PRIOR PERIOD ADJUSTMENTS (See Note 3)	193	0	0	54	3	250
RETAINED EARNINGS—July 1—As Restated	8,119	18,051	243	5,082	86	31,581
RETAINED EARNINGS - JUNE 30	$ 8,512	$ 21,636	$ 276	$ 7,154	$ 150	$ 37,728

The notes to the financial statements are an integral part of this statement.

STATE OF MONTANA
Combining Statement of Changes in Financial Position
All Enterprise Funds
For the Fiscal Year Ended June 30, 1983
(Expressed in Thousands)

	LIQUOR STORES	HOUSING AUTHORITY	WEST YELLOWSTONE AIRPORT	EMPLOYEES GROUP BENEFITS	OTHER	TOTAL (Memo Only)
SOURCES OF WORKING CAPITAL:						
Operations:						
Net Income (Loss)	$ 393	$ 3,585	$ 33	$ 2,072	$ 64	$ 6,147
Items not Requiring Working Capital:						
Depreciation	109				2	111
Prior Period Adjustment (See Note 3)	193			54	3	250
Working Capital Provided by Operations	695	3,585	33	2,126	69	6,508
Disposal of Fixed Assets	84					84
Decrease in Noncurrent Receivables		5,017				5,017
Increase in Noncurrent Payables		85,000				85,000
Total Sources of Working Capital	779	93,602	33	2,126	69	96,609
USES OF WORKING CAPITAL:						
Purchase of Long-Term Investments		13,927				13,927
Acquisition of Fixed Assets	140	8	7		1	156
Decrease in Noncurrent Payables		27,690				27,690
Purchase of Mortgage Loans		49,884				49,884
Payments of Issuance Costs		2,295				2,295
Total Uses of Working Capital	140	93,804	7	0	1	93,952
Net Increase (Decrease) in Working Capital	$ 639	$ (202)	$ 26	$ 2,126	$ 68	$ 2,657
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:						
Cash and Cash Equivalents	$ 1,487	$ 57	$ 2	$ 7	$ 64	$ 1,617
Accounts Receivable	40	992		(396)	(3)	633
Due from Other Funds	(4,421)		(12)	533		(3,900)
Inventories	(2,193)				23	(2,170)
Advances to Investment Pool				2,027		2,027
Interentity Loans Receivable			(6)			(6)
Accounts Payable	159	(817)	13	4	12	(629)
Due to Other Funds	5,567		4	(49)	(12)	5,510
Deferred Revenue		(434)			(16)	(450)
Interentity Loans Payable			25			25
Net Increase (Decrease) in Working Capital	$ 639	$ (202)	$ 26	$ 2,126	$ 68	$ 2,657

The notes to the financial statements are an integral part of this statement.

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for operations that provide goods or services to other agencies or programs of a government on a cost reimbursement basis.

DESCRIPTION OF
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 1983

Motor Pool - State employees' transportation is provided by the Department of Highways through a pool of vehicles. The costs of operating the Motor Pool are recovered through rental rates charged to user agencies based on the average operating costs per mile for each class of vehicle.

Insurance - This grouping includes the eight funds used to account for the State's self-insurance program which is administered by the Department of Administration.

Central Data Processing - State agencies are assessed a fee for their use of the Department of Administration's centralized data processing and systems design services.

Local Government Audits - Political subdivisions are assessed a fee for audit services provided them by the State. General Fund support is provided to give ad hoc consulting services to local governments.

Prison Ranch - The ranch at the Montana State Prison is maintained to provide employment for inmates. Products produced by the ranch are primarily sold to other state institutions.

Publications and Graphic Arts - This grouping includes two funds. Agencies are assessed a fee for duplicating, typesetting, forms design and graphic arts services.

Communications - State agencies and private users are assessed a fee for their use of the State's phone system. General Fund support was provided for long range telecommunications planning.

Buildings and Grounds - Rent proceeds from State agencies are used to pay maintenance, security and landscaping costs for state owned property.

Other Internal Service Funds - This grouping includes nineteen funds.

1. Legal Services - Two funds are used to account for legal services. The Attorney General's Office charges other State agencies a fee for legal assistance. The Department of Commerce funds its Legal Services Program with intra-departmental fees for legal services provided.

2. Office Supplies and Equipment - Six internal services funds under the Departments of Fish, Wildlife and Parks, Highways and Administration are used to account for inter- and intra-departmental sales and use of office supplies and equipment.

3. Surplus Property - Two funds are used by the Department of Administration to account for state and federal surplus property sales to State agencies, local governments and certain other non-profit organizations.

DESCRIPTION
INTERNAL SERVICE FUNDS (CONT.)
YEAR ENDED JUNE 30, 1983

4. Centralized Services - Two funds are used by the Department of Commerce for administrative services provided on a cost recovery basis to programs within the department.

5. Statistical Research and Publication - This fund accounts for fees charged primarily to State agencies by the Department of Administration for publications and research of a statistical nature. A General Fund appropriation was provided for seed money.

6. Mail and Messenger - This fund accounts for costs associated with intra-state government mail and package delivery.

7. Personnel Training - This fund accounts for fees charged State agencies for the provision of training to State employees. The fees are used by the Department of Administration to pay instructors and purchase training materials.

8. Investment Division - This fund accounts for costs associated with operations of the Board of Investments. The Board assists agencies in the investment of State funds. The cost of administering and accounting for each investment fund is deducted from its income.

9. Records Management - This fund accounts for fees charged State agencies for records storage and microfilm services provided by the Department of Administration.

10. Prison Industries - This fund accounts for proceeds from the Prison's sale of goods and services, such as license plates and upholstry repair, to State agencies and local governments. Excess earnings are transferred to the General Fund.

11. Aircraft Operations - This fund, administered by the Department of State Lands, accounts for fees charged to users of state aircraft.

STATE OF MONTANA
Combining Balance Sheet
All Internal Service Funds
June 30, 1983
(Expressed in Thousands)

	MOTOR POOL	INSURANCE	CENTRAL DATA PROC.	LOCAL GOV. AUDITS
ASSETS				
Cash and Cash Equivalents	$ 344	$ 1,330	$ 664	$ 226
Receivables (Net)	20	83	18	101
Interentity Loans Receivable				
Due from Other Funds	106	6	515	
Inventories			47	
Advances to Investment Pool		8,105		
Long-Term Notes Receivable			77	
Land	235			
Buildings and Improvements				
Equipment	1,251		5,046	30
Other Fixed Assets				
Construction in Progress				
Accumulated Depreciation	(696)		(2,299)	(6)
Other Assets				
Total Assets	$ 1,260	$ 9,524	$ 4,068	$ 351
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts Payable & Accruals	$ 77	$ 140	$ 1,776	$ 3
Interentity Loans Payable	33			
Due to Other Funds	64	131	171	29
Deferred Revenue			2	
Property Held in Trust				
Total Liabilities	174	271	1,949	32
Fund Equity:				
Contributed Capital			166	
Retained Earnings	956	9,253	1,907	319
Reserve for Encumbrances	130		46	
Total Fund Equity	1,086	9,253	2,119	319
Total Liabilities and Fund Equity	$ 1,260	$ 9,524	$ 4,068	$ 351

The notes to the financial statements are an integral part of this statement.

PRISON RANCH	PUBLICATIONS AND GRAPHICS	COMMUNI-CATIONS	BUILDINGS & GROUNDS	OTHER	TOTAL (Memo Only)
$ 126	$ 49	$ 338	$ 548	$ 1,950	$ 5,575
43	6	192	16	127	606
40					40
190	125	281	11	1,720	2,954
199				514	760
					8,105
	83				160
690					925
715				288	1,003
710	1,086	11	120	35,568	43,822
1,781					1,781
				295	295
(670)	(346)	(4)	(57)	(15,859)	(19,937)
				2	2
$ 3,824	$ 1,003	$ 818	$ 638	$ 24,605	$ 46,091
$ 50	$ 548	$ 182	$ 62	$ 818	$ 3,656
				1,161	1,194
94	58	7	42	793	1,389
				9	11
				6	6
144	606	189	104	2,787	6,256
				2,254	2,420
3,667	393	629	524	18,916	36,564
13	4		10	648	851
3,680	397	629	534	21,818	39,835
$ 3,824	$ 1,003	$ 818	$ 638	$ 24,605	$ 46,091

STATE OF MONTANA
Combining Statement of Revenues, Expenses, and Changes in Fund Equity
All Internal Service Funds
For the Fiscal Year Ended June 30, 1983
(Expressed in Thousands)

	MOTOR POOL	INSURANCE	CENTRAL DATA PROC.	LOCAL GOV. AUDITS
OPERATING REVENUES:				
Charges for Services	$ 701	$ 2,800	$ 5,389	$ 543
Total Operating Revenues	**701**	**2,800**	**5,389**	**543**
OPERATING EXPENSES:				
Personal Services	$ 141	$ 202	$ 2,510	$ 437
Contractual Services	36	656	28	50
Supplies and Materials	171	4	324	10
Depreciation	214		797	4
Benefits		2,505		
Utilities and Rent	8	4	540	15
Communications				
Repair and Maintenance				
Other	79	12	798	82
Total Operating Expenses	**649**	**3,383**	**4,997**	**598**
Operating Income	52	(583)	392	(55)
PRIOR YEAR ADJUSTMENTS	(115)	0	0	(25)
NONOPERATING REVENUES (EXPENSES):				
Gain on Sale of Fixed Assets				
Reduction in Value of Livestock (See Note 16)				
Investment Earnings		959		
Miscellaneous				
Total Nonoperating Revenues (Expenses)	0	959	0	0
Income before Operating Transfers	(63)	376	392	(80)
PRIOR YEAR TRANSFERS ADJUST.	(16)	(863)	(78)	(2)
Net Income (Loss)	**(79)**	**(487)**	**314**	**(82)**
FUND EQUITY—JULY 1—AS Previously Stated	1,128	9,640	1,638	371
PRIOR PERIOD ADJUSTMENTS (See Note 3)	37	100	1	30
FUND EQUITY—July 1—As Restated	1,165	9,740	1,639	401
RESIDUAL EQUITY TRANSFERS	0	0	166	0
FUND EQUITY—JUNE 30	**$ 1,086**	**$ 9,253**	**$ 2,119**	**$ 319**

The notes to the financial statements are an integral part of this statement.

PRISON RANCH	PUBLICATIONS AND GRAPHICS	COMMUNI-CATIONS	BUILDINGS & GROUNDS	OTHER	TOTAL (Memo Only)
$ 1,494	$ 1,520	$ 3,305	$ 2,145	$ 16,684	$ 34,581
1,494	1,520	3,305	2,145	16,684	34,581
$ 390	$ 515	$ 212	$ 693	$ 6,123	$ 11,223
84	18	24	633	814	2,343
386	456	3	54	4,760	6,168
67	93	1	15	2,008	3,199
					2,505
66	253	11	564	721	2,182
		3,081		727	3,808
146				1,711	1,857
	240	6	104	1,327	2,648
1,139	1,575	3,338	2,063	18,191	35,933
355	(55)	(33)	82	(1,507)	(1,352)
1	0	0	(1)	(776)	(916)
				19	19
(435)					(435)
					959
				88	88
(435)	0	0	0	107	631
(79)	(55)	(33)	81	(2,176)	(1,637)
10	15	7	(28)	(124)	(1,079)
(69)	(40)	(26)	53	(2,300)	(2,716)
3,873	286	534	434	21,434	39,338
(124)	195	120	47	605	1,011
3,749	481	654	481	22,039	40,349
0	(44)	1	0	2,079	2,202
$ 3,680	$ 397	$ 629	$ 534	$ 21,818	$ 39,835

STATE OF MONTANA
Combining Statement of Changes in Financial Position
All Internal Service Funds
For the Fiscal Year Ended June 30, 1983
(Expressed in Thousands)

	MOTOR POOL	INSURANCE	CENTRAL DATA	LOCAL GOV. AUDITS
SOURCES OF WORKING CAPITAL:				
Operations:				
Net Income (Loss)	$ (79)	$ (487)	$ 314	$ (82)
Items not Requiring Working Capital:				
Depreciation	214		797	4
Prior Period Adjustments (See Note 3)	37	100	1	30
Working Capital Provided by Operations	172	(387)	1,112	(48)
Reduction in Value of Livestock (See Note 16)				
Disposal of Fixed Assets			32	
Decrease in Noncurrent Receivables				
Increase in Noncurrent Payables			3	
Transfers from Other Funds			166	
Total Sources of Working Capital	172	(387)	1,313	(48)
USES OF WORKING CAPITAL:				
Acquisition of Fixed Assets	66		249	28
Decrease in Noncurrent Payables			771	
Transfers to Other Funds				
Total Uses of Working Capital	66	0	1,020	28
Net Increase (Decrease) in Working Capital	$ 106	$ (387)	$ 293	$ (76)
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:				
Cash and Cash Equivalents	$ 175	$ 68	$ 137	$ (63)
Accounts Receivable	(187)	76	(416)	(23)
Due from Other Funds	76	6	515	
Inventories			5	
Advances to Investment Pool		(884)		
Investments		297		
Interentity Loans Receivable			(27)	
Other Assets			(12)	(7)
Accounts Payable	(47)	(119)	119	23
Due to Other Funds	34	169	(80)	(5)
Deferred Revenue			52	
Property Held in Trust				
Interentity Loans Payable	55			
Net Increase (Decrease) in Working Capital	$ 106	$ (387)	$ 293	$ (76)

The notes to the financial statements are an integral part of this statement.

PRISON RANCH	PUBLICATIONS AND GRAPHICS	COMMUNI-CATIONS	BUILDINGS & GROUNDS	OTHER	TOTAL (Memo Only)
$ (69)	$ (40)	$ (26)	$ 53	$ (2,300)	$ (2,716)
67	93	1	15	2,008	3,199
(124)	195	120	47	605	1,011
(126)	248	95	115	313	1,494
435					435
154	4			496	686
	341				344
		1		2,232	2,399
463	**593**	**96**	**115**	**3,041**	**5,358**
333	539	8	49	5,019	6,29
				5	776
	44			153	197
333	**583**	**8**	**49**	**5,177**	**7,264**
$ 130	**$ 10**	**$ 88**	**$ 66**	**$ (2,136)**	**$ (1,906)**
$ (123)	$ (21)	$ (60)	$ 124	$ (2,035)	$ (1,798)
(85)	(101)	(184)	(44)	(717)	(1,681)
176	123	281	8	641	1,826
55	(44)			(33)	(17)
				(82)	(966)
					297
40		(42)	(35)		(64)
					(19)
60	91	100	19	6	252
7	(38)	(7)	(6)	427	500
				(7)	45
				(5)	(6)
				(330)	(275)
$ 130	**$ 10**	**$ 88**	**$ 66**	**$ (2,136)**	**$ (1,906)**

EXPENDABLE TRUST FUNDS

Expendable Trust Funds are used to account for assets held by the State in a trustee capacity, where both the trust principal and earnings may be expended.

DESCRIPTION OF
EXPENDABLE TRUST FUNDS
YEAR ENDED JUNE 30, 1983

Rural Development - This fund accounts for programs authorized under the Bankhead Jones Farm Tenant Act. Resources are used by the Department of Agriculture for the purpose of aiding low income rural families.

Hail Insurance - Any taxpayer engaged in the growing of crops subject to destruction by hail may participate in the State's hail insurance program. This fund accounts for premium assessments on crop acreage insured, administrative costs and benefits paid by the Department of Agriculture.

Unemployment Insurance - This fund accounts for employer contributions deposited with the Secretary of the Treasury of the United States to the credit of Montana's unemployment trust fund. Unemployment benefits are paid from this fund to eligible recipients. Administrative costs are paid from a special revenue fund.

State Compensation Insurance Fund - This fund accounts for employer contributions to the State operated workers' compensation insurance system and the payment of benefits to injured workers. Administrative costs of operating the fund are paid from a special revenue fund.

Other Expendable Trust Funds - This grouping includes six funds.

1. Woodville Highway Replacement - This fund accounts for money paid to the State Department of Highways by the Anaconda Company. The money must be used to provide the government of Butte-Silver Bow with traffic facilities to replace the abandoned portion of U.S. Highway 91.

2. Uninsured Employers - This fund accounts for penalties assessed employers who do not carry workers' compensation insurance and benefits paid to injured employees of uninsured employers. Administrative costs are paid from a special revenue fund.

3. Subsequent Injury Fund - This fund, administered by the Department of Labor and Industry, accounts for amounts paid to persons certified as vocationally handicapped who are injured in the course of their employment.

4. Crime Victims Compensation - Eighteen percent of fines assessed and bails forfeited on offenses involving a violation of traffic codes are deposited in this fund and used to pay benefits to victims of crime. Costs of administering this fund are paid from a special revenue fund. This fund is also administered by the Department of Labor and Industry.

5. Fullam Estate - This fund accounts for money bequested to the Teachers' Retirement System to be used for the benefit of retired teachers.

DESCRIPTION OF
EXPENDABLE TRUST FUNDS (CONT.)
YEAR ENDED JUNE 30, 1983

6. Office of Public Instruction Fellowship Program - This fund accounts for a private contribution of money used to send teachers to study in Israel.

STATE OF MONTANA
Combining Balance Sheet
All Expendable Trust Funds
June 30, 1983
(Expressed in Thousands)

	RURAL DEVELOPMENT	HAIL INSURANCE	UNEMPLOYMENT INSURANCE	STATE COMP. INSURANCE	OTHER	TOTAL (Memo Only)
ASSETS						
Cash and Cash Equivalents	$ 76	$ 174	$ 4,671	$ 2,733	$ 170	$ 7,824
Receivables (Net)		1,653	3,424	6,777	293	12,147
Interentity Loans Receivable			237			237
Due from Other Funds	26			1	1	28
Long-Term Notes Receivable	1,545			137	(1)	1,681
Advances to Investment Pool	56	2,998			1,367	4,421
Investments		550		63,498	3,002	67,050
Other				2,403		2,403
Total Assets	$ 1,703	$ 5,375	$ 8,332	$ 75,549	$ 4,832	$ 95,791
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts Payable and Accruals	$	$ 12	$ 363	$ 134	$ 25	$ 534
Due To Other Funds	28	10				38
Due to Other Governments			8,556			8,556
Deferred Revenue		1,651	83	1,039	49	2,822
Property Held in Trust				6,454		6,454
Total Liabilities	28	1,673	9,002	7,627	74	18,404
Fund Equity:						
Fund Balance	1,675	3,702	(670)	67,922	4,758	77,387
Total Fund Equity	1,675	3,702	(670)	67,922	4,758	77,387
Total Liabilities and Fund Equity	$ 1,703	$ 5,375	$ 8,332	$ 75,549	$ 4,832	$ 95,791

The notes to the financial statements are an integral part of this statement.

STATE OF MONTANA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Expendable Trust Funds
For the Fiscal Year Ended June 30, 1983
(Expressed in Thousands)

	RURAL DEVELOPMENT	HAIL INSURANCE	UNEMPLOYMENT INSURANCE	STATE COMP. INSURANCE	OTHER	TOTAL (Memo Only)
REVENUES:						
Licenses and Permits	$	$	$	$	$ 1	$ 1
Service Fees and Fines					792	792
Investment Earnings	117	373		6,066	520	7,076
Fiduciary and Trust			71,217	33,036	88	104,341
Grants and Gifts	4					4
Federal Assistance			716			716
Total Revenues	121	373	71,933	39,102	1,401	112,930
EXPENDITURES:						
Transportation					833	833
Education and Cultural					6	6
Economic Development and Assistance	56	1,437	88,513	32,547	844	123,397
Total Expenditures	56	1,437	88,513	32,547	1,683	124,236
Excess of Revenues Over (under) Expenditures	65	(1,064)	(16,580)	6,555	(282)	(11,306)
PRIOR YEAR ADJUSTMENTS	0	0	1,302	0	4	1,306
OTHER FINANCING SOURCES (USES):						
Operating Transfers In (Out)		1,120		(4,231)		(3,111)
Total Other Financing Sources	0	1,120	0	(4,231)	0	(3,111)
PRIOR YEAR TRANSFER ADJUSTMENTS	0	0	0	5,438	17	5,455
Excess of Revenues and other Sources over (under) Expenditures and Other Uses	65	56	(15,278)	7,762	(261)	(7,656)
FUND BALANCES—July 1—As Previously Stated	1,610	3,646	14,608	64,500	5,226	89,590
PRIOR PERIOD ADJUSTMENTS (See Note 3)				(4,340)	(207)	(4,547)
FUND BALANCES—July 1—As Restated	1,610	3,646	14,608	60,160	5,019	85,043
FUND BALANCES—JUNE 30	$ 1,675	$ 3,702	$ (670)	$ 67,922	$ 4,758	$ 77,387

The notes to the financial statements are an integral part of this statement.

NONEXPENDABLE TRUST FUNDS

Nonexpendable Trust Funds are used to account for assets held by the State in a trustee capacity, where the trust principal may not be expended.

DESCRIPTION OF
NON-EXPENDABLE TRUST FUNDS
YEAR ENDED JUNE 30, 1983

Permanent Coal Tax Trust - This fund, created by Article IX, Section 5 of the Montana Constitution and administered by the Department of Revenue, receives fifty percent of all coal tax collections. Principle may be expended only upon affirmative vote by three-fourths of each house of the Legislature.

Education Trust - The Department of Commerce administers this fund which receives twenty percent of all coal tax collections. Ten percent of the investment income earned in this fund is added to the principal and, along with the fund principal is held in trust for the purpose of supporting the public schools and university systems of the State. The remaining ninty percent of investment income is paid to public schools through the State equalization aid program and to institutions of higher learning through the Board of Regents.

Resource Idemnity Tax - Taxes paid by persons engaging in or carrying on the business of mining, extracting or producing a mineral are deposited in this fund. Only the net earnings of the trust may be appropriated until the principle reaches $100 million. Interest earnings are expended from a special revenue fund. This fund is administered by the Department of Natural Resources and Conservation.

Parks, Cultural and Aesthetic Projects - Two and one-half percent of coal taxes are credited to this fund under the administration of the Department of Revenue. Interest income from the trust is transferred to a special revenue fund. One-third of the income is used for cultural and aesthetic projects and two-thirds for the acquisition and maintenance of parks.

Land Grants - This fund accounts for lands granted to the State under control of the Department of State Lands for support of public schools and State institutions.

Other Nonexpendable Trust Funds - This group includes six funds.

1. Real Property Trust - Money received by the Department of Fish, Wildlife and Parks from the sale of real property, from exploration and development of oil, gas and mineral deposits, and from lease of department real property is deposited in this fund. Interest is transferred to a special revenue fund and used for developing and maintaining real property of the department.

2. Historical Society - This grouping includes four funds administered by the Historical Society which account for memorials, bequests and various other contributions to the society. Investment income is either expended from a special revenue fund or added to the principal.

3. Institution Care and Maintenance - This fund accounts for money held in trust pending settlement of a lawsuit. The suit challenges the Montana Department of Institution's authority to spend certain monies belonging to institution residents to help pay for their care.

STATE OF MONTANA
Combining Balance Sheet
All Nonexpendable Trust Funds
June 30, 1983
(Expressed in Thousands)

	PERMANENT COAL TAX	EDUCATION	RESOURCE INDEMNITY	PARKS, CULTURAL, AESTHETIC	LAND GRANTS	OTHER	TOTAL (Memo Only)
ASSETS							
Cash and Cash Equivalents	$ 625	$ 7,143	$ 106	$	$ 64	$ 2,065	$ 10,003
Receivables (Net)	143	1,602	80		751		2,576
Due from Other Funds		765	1,572		1,453	10	3,800
Advances to Investment Pool	17,884	1,356	3,689	9,481		114	32,524
Other Advances					153,899		153,899
Investments	140,077	49,387	31,860				221,324
Land					49,399		49,399
Total Assets	$ 158,729	$ 60,253	$ 37,307	$ 9,481	$ 205,566	$ 2,189	$473,525
LIABILITIES AND FUND EQUITY							
Liabilities:							
Due to Other Funds	$ 371	$ 7,515	$ 1,046	$	$ 375	$	$ 9,307
Deferred Revenue			7				7
Property Held in Trust						2,034	2,034
Total Liabilities	371	7,515	1,053	0	375	2,034	11,348
Fund Equity:							
Reserved for Special Trusts	158,358	52,738	36,254	9,481	205,191	155	462,177
Total Fund Equity	158,358	52,738	36,254	9,481	205,191	155	462,177
Total Liabilities and Fund Equity	$ 158,729	$ 60,253	$ 37,307	$ 9,481	$ 205,566	$ 2,189	$473,525

The notes to the financial statements are an integral part of this statement.

STATE OF MONTANA
Combining Statement of Revenues, Expenses, and Changes in Fund Balances
All Nonexpendable Trust Funds
For the Fiscal Year Ended June 30, 1983
(Expressed in Thousands)

	PERMANENT COAL TAX	EDUCATION	RESOURCE INDEMNITY	PARKS, CULTURAL, AESTHETIC PROJECTS	LAND GRANTS	OTHER	TOTAL (Memo Only)
OPERATING REVENUES:							
Taxes	$ 40,022	$ 8,004	$ 7,894	$ 2,001	$ 1,916	$	$ 59,837
Investment Earnings		6,721			1,274	13	8,008
Gifts					354	19	373
Other—Rentals and Leases					10,087	37	10,124
Total Operating Revenues	40,022	14,725	7,894	2,001	13,631	69	78,342
OPERATING EXPENSES	0	2	0	0	0	0	2
Operating Income	40,022	14,723	7,894	2,001	13,631	69	78,340
PRIOR YEAR ADJUSTMENTS	0	2,860	31	0	34	0	2,925
NONOPERATING REVENUES:							
Sale of Property					207		207
Total Nonoperating Revenues	0	0	0	0	207	0	207
Income before Operating Transfers	40,022	17,583	7,925	2,001	13,872	69	81,472
OPERATING TRANSFERS IN (OUT)		(5,932)				(4)	(5,936)
PRIOR YEAR TRANSFER ADJUST.		(3,331)					(3,331)
Net Income	40,022	8,320	7,925	2,001	13,872	65	72,205
FUND BALANCE—July 1—As Previously Stated	118,336	44,338	28,329	7,480	190,842	90	389,415
PRIOR PERIOD ADJUSTMENTS (See Note 3)	0	80	0	0	480	0	560
FUND BALANCE—July—As Restated	118,336	44,418	28,329	7,480	191,322	90	389,975
RESIDUAL EQUITY TRANSFERS					(3)		(3)
FUND BALANCE—June 30	$ 158,358	$ 52,738	$ 36,254	$ 9,481	$ 205,191	$ 155	$462,177

The notes to the financial statements are an integral part of this statement.

STATE OF MONTANA
Combining Statement of Changes in Financial Position
All Nonexpendable Trust Funds
For the Fiscal Year Ended June 30, 1983
(Expressed in Thousands)

	PERMANENT COAL TAX	EDUCATION	RESOURCE INDEMNITY	PARKS, CULTURAL, AESTHETIC PROJECTS	LAND GRANTS	OTHER	TOTAL (Memo Only)
SOURCES OF WORKING CAPITAL:							
Operations:							
Net Income (Loss)	$ 40,022	$ 8,320	$ 7,925	$ 2,001	$ 13,872	$ 65	$ 72,205
Items not Requiring Working Capital:							
Prior Period Adjustments (See Note 3)		80			480		560
Amortization of Net Loss on Securities Exchanged	(78)	864	579				1,365
Working Capital Provided by Operations	39,944	9,264	8,504	2,001	14,352	65	74,130
Sale of Long-Term Investments	22,756	8,533	7,722			1	39,012
Decrease in Noncurrent Receivables					115		115
Total Sources of Working Capital	62,700	17,797	16,226	2,001	14,467	66	113,257
USES OF WORKING CAPITAL:							
Decrease in Noncurrent Payables					711		711
Purchase of Long Term Investments	57,857	17,058	13,872			115	88,902
Transfers to Other Funds					3		3
Total Uses of Working Capital	57,857	17,058	13,872		714	115	89,616
Net Increase (Decrease) in Working Capital	$ 4,843	$ 739	$ 2,354	$ 2,001	$ 13,753	$ (49)	$ 23,641
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:							
Cash and Cash Equivalents	$ (827)	$ 6,105	$ (443)	$	$ (14)	$ (54)	$ 4,767
Accounts Receivable	(95)	1,511	(4)				1,412
Due from Other Funds		742	1,572		1,453	5	3,772
Advances to Investment Pool	5,941	(104)	2,266	2,001			10,104
Other Assets					12,689		12,689
Due to Other Funds	(123)	(7,515)	(1,030)		(373)		(9,041)
Due to Other Governments	(81)				(2)		(83)
Deferred Revenue			(7)				(7)
Inter Entity Loans Payable	28						28
Net Increase (Decrease) in Working Capital	$ 4,843	$ 739	$ 2,354	$ 2,001	$ 13,753	$ (49)	$ 23,641

The notes to the financial statements are an integral part of this statement.

PENSION TRUST FUNDS

The Pension Trust Funds are used to account for public employee retirement systems.

DESCRIPTION OF
PENSION TRUST FUNDS
YEAR ENDED JUNE 30, 1983

Teachers Retirement System - The fund accounts for resources used to provide financial benefits to members of the public teaching profession after their retirement or upon becoming disabled. The system is funded from employer and employee contributions. This fund also accounts for administrative costs of the system.

Public Employees Retirement System (PERS) - This fund accounts for the accumulation of resources used to pay retirement, disability and death benefits to qualified employees of the State of Montana. This fund also accounts for the administrative costs of the Public Employees Retirement Division, Department of Administration, which administers the activities of PERS and the following seven retirement systems. These costs are paid from investment earnings on State employee social security withholdings.

Municipal Police Officers' Retirement System - This fund accounts for resources used to pay retirement, disability and death benefits to qualifying police officers employed by first and second class cities. The system is funded from member and city contributions.

Game Wardens' Retirement System - This fund accounts for the accumulation of resources used to pay retirement, disability and death benefits to game wardens employed by the State. In addition to employer and employee contributions, this fund receives fines and forfeitures generated from fish and wildlife violations.

Sheriff's Retirement System - This fund accounts for member and county contributions to pay retirement, disability and death benefits to qualifying sheriffs.

Judges' Retirement System - This fund accounts for member and State contributions used to pay retirement, disability and death benefits to Montana's judges. The system is also funded from a percentage of court fees collected.

Highway Patrolmen's Retirement System - This fund accounts for pension benefits paid to Montana's Highway Patrolmen.

Volunteer Firefighters' Compensation Fund - This fund accounts for benefit payments to qualified volunteer firefighters. Benefit payments are based upon the amount of insurance premium taxes collected in the preceding year.

Firefighters' Unified Retirement System - This fund accounts for the accumulation of resources used to pay retirement, disability and death benefits to firefighters employed by first and second class cities and other cities electing coverage. In addition to employer and employee contributions, the State contributes a portion of insurance premium taxes collected.

STATE OF MONTANA
Combining Balance Sheet
All Pension Trust Funds
June 30, 1983
(Expressed in Thousands)

	TEACHERS	PERS	MUNICIPAL POLICE	GAME WARDENS
ASSETS				
Cash and Cash Equivalents	$ 6,990	$ 8,346	$ 46	$ 17
Receivables (Net)	9,650	9,356	3,011	128
Due from Other Funds	434	1,068		23
Inventories		8		
Advances to Investment Pool	38,753	45,772	300	346
Investments	234,266	314,662	11,353	4,006
Land	35			
Buildings and Improvements	158			
Equipment	24	55		
Accumulated Depreciation	(67)	(12)		
Total Assets	$ 290,243	$ 379,255	$ 14,710	$ 4,520
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts Payable & Accruals	$ 518	$ 393	$ 1	$
Due to Other Funds	16	40		
Deferred Revenues	34	131		
Total Liabilities	568	564	1	0
Fund Equity:				
Reserved For:				
Encumbrances	10	27		
Retirement System	289,665	378,664	14,709	4,520
Total Fund Equity	289,675	378,691	14,709	4,520
Total Liabilities and Fund Equity	$ 290,243	$ 379,255	$ 14,710	$ 4,520

The notes to the financial statements are an integral part of this statement.

SHERIFFS	JUDGES	HIGHWAY PATROL	VOLUNTEER FIREMEN	UNIFIED FIREFIGHTERS	TOTAL (Memo Only)
$ 21	$ 44	$ 48	$ 29	$ 442	$ 15,983
390	101	254	93	2,756	25,739
	8	43			1,576
					8
1,133	418	784	127	2,631	90,264
9,256	4,086	8,904	2,921	6,489	595,943
					35
					158
					79
					(79)
$ 10,800	**$ 4,657**	**$ 10,033**	**$ 3,170**	**$ 12,318**	**$ 729,706**
$	$ 10	$	$	$	$ 922
					56
				16	181
0	10	0	0	16	1,159
					37
10,800	4,647	10,033	3,170	12,302	728,510
10,800	4,647	10,033	3,170	12,302	728,547
$ 10,800	**$ 4,657**	**$ 10,033**	**$ 3,170**	**$ 12,318**	**$ 729,706**

STATE OF MONTANA
Combining Statement of Revenues, Expenses and Changes in Fund Balances
All Pension Trust Funds
For the Fiscal Year Ended June 30, 1983
(Expressed in Thousands)

	TEACHERS	PERS	MUNICIPAL POLICE	GAME WARDENS
OPERATING REVENUES:				
Charges for Services	$	$ 675	$	$
Contributions	40,966	45,966	4,331	559
Investment Earnings	25,875	35,075	1,290	405
Other	36	24		
Total Operating Revenues	66,877	81,740	5,621	964
OPERATING EXPENSES:				
Personal Services	319	442		
Contractual Services	54	106		
Supplies and Materials	6	4		
Benefits	25,958	25,036	2,743	278
Depreciation	5	5		
Utilities and Rent	28	18		
Refunds	3,405	6,230	15	
Other	124	217		
Total Operating Expenses	29,899	32,058	2,758	278
Operating Income	36,978	49,682	2,863	686
PRIOR YEAR ADJUSTMENTS	(92)	6	0	0
Income Before Operating Transfers	36,886	49,688	2,863	686
OPERATING TRANSFERS IN (OUT)		(359)	16	
PRIOR YEAR TRANSFERS ADJUST.	(262)	18	4	
Net Income	36,624	49,347	2,883	686
FUND BALANCE—July 1—As Previously Stated	248,269	322,666	11,453	3,735
PRIOR PERIOD ADJUSTMENTS (See Note 3)	4,782	6,678	373	99
FUND BALANCE—July 1—As Restated	253,051	329,344	11,826	3,834
FUND BALANCE—June 30	$ 289,675	$ 378,691	$ 14,709	$ 4,520

The notes to the financial statements are an integral part of this statement.

SHERIFFS	JUDGES	HIGHWAY PATROL	VOLUNTEER FIREMEN	UNIFIED FIREFIGHTERS	TOTAL (Memo Only)
$	$	$	$	$	$ 675
1,428	206	1,319	354	4,072	99,201
1,068	432	906	326	1,109	66,486
					60
2,496	**638**	**2,225**	**680**	**5,181**	**166,422**
					761
					160
					10
204	329	753	306	2,748	58,355
					10
					46
136				16	9,802
			19		360
340	**329**	**753**	**325**	**2,764**	**69,504**
2,156	309	1,472	355	2,417	96,918
0	0	0	0	0	(86)
2,156	309	1,472	355	2,417	96,832
(12)	393			(13)	25
5	37	2			(196)
2,149	**739**	**1,474**	**355**	**2,404**	**96,661**
8,424	3,823	8,353	2,731	9,873	619,327
227	85	206	84	25	12,559
8,651	3,908	8,559	2,815	9,898	631,886
$ 10,800	**$ 4,647**	**$ 10,033**	**$ 3,170**	**$ 12,302**	**$ 728,547**

STATE OF MONTANA
Combining Statement of Changes in Financial Position
All Pension Trust Funds
For the Fiscal Year Ended June 30, 1983
(Expressed in Thousands)

	TEACHERS	PERS	MUNICIPAL POLICE	GAME WARDENS
SOURCES OF WORKING CAPITAL:				
Operations:				
Net Income (Loss)	$ 36,624	$ 49,347	$ 2,883	$ 686
Items not Requiring Working Capital:				
Depreciation	5	5		
Amortization of Net Loss on Securities Exchanged	857	1,363	11	13
Prior Period Adjustments (See Note 3)	4,782	6,678	373	99
Working Capital Provided by Operations	42,268	57,393	3,267	798
Sale of Long-Term Investments	41,909	61,115	1,484	953
Total Sources of Working Capital	**84,177**	**118,508**	**4,751**	**1,751**
USES OF WORKING CAPITAL:				
Acquisition of Fixed Assets	156	48		
Purchase of Long-Term Investments	83,239	109,911	4,323	1,672
Total Uses of Working Capital	**83,395**	**109,959**	**4,323**	**1,672**
Net Increase (Decrease) in Working Capital	**$ 782**	**$ 8,549**	**$ 428**	**$ 79**
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:				
Cash and Cash Equivalents	$ (5,516)	$ 1,049	$ (377)	$ (20)
Accounts Receivable	5,875	6,396	904	103
Due from Other Funds	4,421	1,068		23
Inventories		8		
Advances to Investment Pool			(104)	(27)
Accounts Payable	24	209	5	
Due to Other Funds	(4,004)	(39)		
Other Payables	16	(11)		
Deferred Revenue	(34)	(131)		
Net Increase (Decrease) in Working Capital	**$ 782**	**$ 8,549**	**$ 428**	**$ 79**

The notes to the financial statements are an integral part of this statement.

SHERIFFS	JUDGES	HIGHWAY PATROL	VOLUNTEER FIREMEN	UNIFIED FIREFIGHTERS	TOTAL (Memo Only)
$ 2,149	$ 739	$ 1,474	$ 355	$ 2,404	$ 96,661
					10
15	5	15	7		2,286
227	85	206	84	25	12,559
2,391	829	1,695	446	2,429	111,516
1,155	655	1,653	222	906	110,052
3,546	**1,484**	**3,348**	**668**	**3,335**	**221,568**
					204
3,558	1,494	3,213	465	6,715	214,590
3,558	**1,494**	**3,213**	**465**	**6,715**	**214,794**
$ (12)	**$ (10)**	**$ 135**	**$ 203**	**$ (3,380)**	**$ 6,774**
$ (133)	$ (33)	$ 2	$ 26	(2,922)	$ (7,924)
284	93	209	93	1,088	15,045
	8	43			5,563
					8
(164)	(68)	(119)	84	(1,530)	(1,928)
1	(10)				229
					(4,043)
					5
				(16)	(181)
$ (12)	**$ (10)**	**$ 135**	**$ 203**	**$ (3,380)**	**$ 6,774**

AGENCY FUNDS

The Agency Funds are used to account for assets held by the State as an agent for individuals, private organizations, other governments, and other funds.

DESCRIPTIONS OF
AGENCY FUNDS
YEAR ENDED JUNE 30, 1983

Unclaimed Property - This fund accounts for property held by six State agencies pending claim by the person entitled thereto. It includes, for example, proceeds from the sale of abandoned property, escheated and undistributed estates, stale dated State warrants and unclaimed wages.

Employees Deferred Compensation - State employees may defer a part of their compensation for the purpose of investment. This fund accounts for employee withholdings transferred to investing entities for allocation to employee designated investment plans.

Intergovernmental - This fund accounts for resources that flow through State agencies to Federal and local governments.

Uncleared Collections - This fund accounts for resources held pending distribution to other funds and local governments. Amounts due to other State funds have been recorded as a receivable and revenue in those funds.

Land Grant Interest and Income - This fund accounts for interest and income earnings on nonexpendable trusts administered by the Department of State Lands pending distribution to units of the University System and State institutions.

Central Payroll - This fund accounts for the accumulation of State employees' payroll and withholdings by the State Auditor's Office pending remittance to employees and other appropriate third parties.

Investment Pool - This fund accounts for idle cash invested on a pooled basis. Investment earnings are accounted for as revenue in either the fund providing the cash for investment or in the fund from which the earnings will be expended.

Architecture and Engineering Advances - This fund accounts for monies advanced by other agencies to the Department of Administration's Architecture and Engineering Division for minor capital projects. The capital outlay expenditures are recorded in the funds which advanced the money.

Other Agency Funds - This grouping includes seven funds:

1. Child Support Collections - This fund accounts for payments from parents under the Child Support Enforcement Program, Department of Revenue.

2. State Student Incentive Grants - This fund accounts for monies held by the State Commissioner of Higher Education pending distribution to public and private universities and colleges to fund scholarship programs.

DESCRIPTIONS OF
AGENCY FUNDS (CONT.)
YEAR ENDED JUNE 30, 1983

3. Bad Debts and Dishonored Checks - This fund, administered by the Department of Revenue, accounts for amounts due to the State which have been written off as uncollectible by the receiving agency. The Department of Revenue continues attempts to collect amounts owing for a period of time after they are deemed uncollectible by the receiving agency.

4. Performance and Other Deposits - This fund accounts for deposits held by the State pending compliance with performance agreements.

5. Custodial Accounts - Moneys belonging to state institution residents, School for the Deaf and Blind students and participants in the foster children and protective services programs are accounted for in this fund.

6. Vo-Tech Additional Milleage - This fund accounts for taxes received as a result of optional county-wide levies. The taxes are used to pay Vocational Technical Center instructors' salaries that exceed those authorized under the State's pay plan.

7. Bank Liquidation - This fund accounts for bank assets placed under control of the Department of Commerce pending the bank's liquidation.

STATE OF MONTANA
Combining Balance Sheet
All Agency Funds
June 30, 1983
(Expressed in Thousands)

	UNCLAIMED PROPERTY	EMPLOYEES DEF. COMP.	INTER-GOVERNMENTAL	UNCLEARED COLLECTIONS
ASSETS				
Cash and Cash Equivalents	$ 990	$ 6	$ 6,661	$ 2,073
Receivables (Net)	1	17	17	543
Due from Other Funds		41	44	766
Due from Other Governments			52	
Advances to Investment Pool				
Investments		15,976	648	
Other Assets				
Total Assets	**$ 991**	**$ 16,040**	**$ 7,422**	**$ 3,382**
LIABILITIES				
Accounts Payable and Accruals	$ 14	$	$ 214	$ 418
Due to Other Funds	34		20	2,454
Due to Other Governments			7,144	462
Other Payables	410		41	
Property Held in Trust	533	16,040	3	48
Deferred Revenues				
Total Liabilities	**$ 991**	**$ 16,040**	**$ 7,422**	**$ 3,382**

The notes to the financial statements are an integral part of this statement.

LAND GRANT INTEREST	A & E ADVANCES	CENTRAL PAYROLL	INVESTMENT POOL	OTHER	TOTAL (Memo Only)
$ 8,603	$ 279	$ 1,694	$ 335,930	$ 7,124	$ 363,360
285			9,265	2	10,130
9,470	12	12,677	9,095	4	32,109
					52
7,070				44	7,114
3,500			144,721		164,845
				15,878	15,878
$ 28,928	**$ 291**	**$ 14,371**	**$ 499,011**	**$ 23,052**	**$ 593,488**
$	$ 74	$ 4,626	$	$ 70	$ 5,416
28,928	3	1,486	14,650	532	48,107
					7,606
	214	8,259	484,361	399	493,684
				19,249	35,873
				2,802	2,802
$ 28,928	**$ 291**	**$ 14,371**	**$ 499,011**	**$ 23,052**	**$ 593,488**

STATE OF MONTANA
Combining Balance Sheet
All Trust and Agency Fund Types
June 30, 1983
(Expressed in Thousands)

	AGENCY	EXPENDABLE TRUSTS	NON-EXPENDABLE TRUSTS	PENSION TRUSTS	TOTAL (Memo Only)
ASSETS					
Cash and Cash Equivalents	$ 363,360	$ 7,824	$ 10,003	$ 15,983	$ 397,170
Receivables (Net)	10,130	12,147	2,576	25,739	50,592
Interentity Loans Receivable		237			237
Due from Other Funds	32,109	28	3,800	1,576	37,513
Due from Other Governments	52				52
Inventories				8	8
Long-Term Loans Receivable		1,681			1,681
Advances to Investment Pool	7,114	4,421	32,524	90,264	134,323
Other Advances			153,899		153,899
Investments	164,845	67,050	221,324	595,943	1,049,162
Land			49,399	35	49,434
Buildings and Improvements				158	158
Equipment				79	79
Accumulated Depreciation				(79)	(79)
Other Assets	15,878	2,403			18,281
Total Assets	$ 593,488	$ 95,791	$ 473,525	$ 729,706	$ 1,892,510
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts Pay. & Accruals	$ 5,416	$ 534	$	$ 922	$ 6,872
Due to Other Funds	48,107	38	9,307	56	57,508
Due to Other Governments	7,606	8,556			16,162
Other Payables	493,684				493,684
Deferred Revenue	2,802	2,822	7	181	5,812
Property Held in Trust	35,873	6,454	2,034		44,361
Total Liabilities	593,488	18,404	11,348	1,159	624,399
Fund Equity:					
Reserved for:					
Retirement System				728,510	728,510
Encumbrances				37	37
Special Trusts			462,177		462,177
Unreserved		77,387			77,387
Total Fund Equity	0	77,387	462,177	728,547	1,268,111
Total Liabilities and Fund Equity	$ 593,488	$ 95,791	$ 473,525	$ 729,706	$ 1,892,510

The notes to the financial statements are an integral part of this statement.

HIGHER EDUCATION FUNDS

The Higher Education Funds are used to account for all transactions relating to the State's public institutions of higher education, including six university units and five vocational-technical centers.

DESCRIPTION OF
HIGHER EDUCATION FUNDS
YEAR ENDED JUNE 30, 1983

CURRENT FUNDS

Unrestricted - This fund includes the portion of financial resources that can be expended for general operations and is free of externally imposed restrictions, except those imposed by the Legislature.

Restricted - This fund includes the portion of financial resources that can be expended for general operations but only for purposes imposed by sources external to the Board of Regents and the Legislature.

Designated - This fund includes financial resources associated with general operations but are separately classified in order to accumulate costs that are to be recharged to other funds. It also identifies educational departments' special activities that are fully supported by supplemental assessments and special supply and facility fees that are covered for collections beyond normal course fees and their disposition.

Auxiliary - This fund includes those financial resources devoted to providing essential on-campus services primarily to students, faculty or staff where a fee relating to the service is charged.

FIDUCIARY FUNDS

Student Loan - Accounts for monies which may be loaned to students, faculty or staff for purposes related to education, organized research or public services by the higher education system.

Endowment - Accounts for monies where the principal is nonexpendable but is available for investment. The investment earnings are to be transferred to appropriate operating funds pursuant to prevailing administrative requirements.

Agency - Accounts for monies where the State acts in the capacity of a custodian or fiscal agent for individual students, faculty, staff and qualified organizations.

PLANT FUNDS

Unexpended - Accounts for unexpended resources derived from various sources to finance the acquisition of plant assets and the associated liabilities.

Renewal and Replacement - This fund's resources provide for the renewal and replacement of plant fund assets as distinquished from additions and improvements.

Debt Service - This fund accumulates resources for interest and principal payments and other debt service charges, including contributions to sinking funds, relating to plant fund indebtedness.

Investment in Plant - This fund includes all fixed assets in the service of the Higher Education Unit as well as all associated liabilities.

STATE OF MONTANA
Combining Balance Sheet
All Higher Education Current Funds
June 30, 1983
(Expressed in Thousands)

	UNRESTRICTED	RESTRICTED	DESIGNATED	AUXILIARY	TOTAL (Memo Only)
ASSETS					
Cash and Cash Equivalents	$ 9,865	$ 1,092	$ 1,645	$ 2,831	$ 15,433
Receivables (Net)	514	138	499	597	1,748
Interentity Loans Receivable	4,344	245	236	88	4,913
Due from Other Governments		113			113
Due from Other Funds	2,415	522	2,688	531	6,156
Inventories	286		2,259	1,933	4,478
Advances to Investment Pool	680	849	143	5,522	7,194
Investments		477			477
Other	365	8	77	39	489
Total Assets	**$ 18,469**	**$ 3,444**	**$ 7,547**	**$ 11,541**	**$ 41,001**
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts Payable & Accruals	$ 11,388	$ 1,032	$ 1,189	$ 2,077	$ 15,686
Interentity Loans Payable	245	2,118	1,765	396	4,524
Due to Other Funds	4,804	1,143	687	738	7,372
Due to Other Governments			25		25
Other Payables	233		6	75	314
Deferred Revenue	422	28	5	28	483
Property Held in Trust	15	13	15	292	335
Total Liabilities	**17,107**	**4,334**	**3,692**	**3,606**	**28,739**
Fund Equity:					
Fund Balance:					
Unreserved	1,362	(23,261)	3,861	7,893	(10,145)
Reserved For:					
Continuing Appropriations		22,373			22,373
Fed. Loans & Spec. Trusts		(2)	(6)	42	34
Total Fund Equity	**1,362**	**(890)**	**3,855**	**7,935**	**12,262**
Total Liabilities and Fund Equity	**$ 18,469**	**$ 3,444**	**$ 7,547**	**$ 11,541**	**$ 41,001**

The notes to the financial statements are an integral part of this statement.

STATE OF MONTANA
Combining Balance Sheet
All Higher Education Fiduciary Funds
June 30, 1983
(Expressed in Thousands)

	STUDENT LOANS	ENDOWMENTS	AGENCY	TOTAL (Memo Only)
ASSETS				
Cash and Cash Equivalents	$ 688	$ 3,745	$ 1,348	$ 5,781
Receivables (Net)	13,732	16	268	14,016
Interentity Loans Receivable			50	50
Due from Other Funds	1		1,432	1,433
Inventories			1	1
Advances to Investment Pool	209	870	742	1,821
Investments	294	28	95	417
Other			5	5
Total Assets	**$ 14,924**	**$ 4,659**	**$ 3,941**	**$ 23,524**
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts Payable & Accruals	$ 9	$	$ 2,854	$ 2,863
Interentity Loans Payable			129	129
Due to Other Funds	2	6	671	679
Due to Other Governments			1	1
Other Payables			170	170
Deferred Revenue			107	107
Property Held in Trust			9	9
Total Liabilities	**11**	**6**	**3,941**	**3,958**
Fund Equity:				
Fund Balance:				
Unreserved	3,323	1,278		4,601
Reserved for Fed. Loans & Spec. Trusts	11,590	3,375		14,965
Total Fund Equity	**14,913**	**4,653**	**0**	**19,566**
Total Liabilities and Fund Equity	**$ 14,924**	**$ 4,659**	**$ 3,941**	**$ 23,524**

The notes to the financial statements are an integral part of this statement.

STATE OF MONTANA
Combining Balance Sheet
All Higher Education Plant Funds
June 30, 1983
(Expressed in Thousands)

	UNEXPENDED	RENEWAL AND REPLACEMENT	DEBT SERVICE	INVESTMENT IN PLANT	TOTAL (Memo Only)
ASSETS					
Cash and Cash Equivalents	$ 1,580	$ 1,053	$ 9,188	$	$ 11,821
Receivables (Net)	(3)	10	46		53
Interentity Loans Receivable	279		3		282
Due from Other Funds	260	16	318		594
Advances to Investment Pool	951	475	1,322		2,748
Investments			161		161
Land				7,488	7,488
Buildings and Improvements				184,412	184,412
Equipment				44,455	44,455
Other Fixed Assets				23,472	23,472
Construction in Progress				29,358	29,358
Other	237	8	276		521
Total Assets	**$ 3,304**	**$ 1,562**	**$ 11,314**	**$ 289,185**	**$ 305,365**
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts Payable & Accruals	$ 66	$ 6	$ 409	$ 15,042	$ 15,523
Interentity Loans Payable	16		564		580
Due to Other Funds	154	45	351		550
Other Payables			25		25
Deferred Revenue	9				9
Notes and Bonds Payable				30,634	30,634
Total Liabilities	245	51	1,349	45,676	47,321
Fund Equity:					
Invest. in Gen. Fixed Assets				243,509	243,509
Fund Balance:					
Reserved for Continuing Appropriations	112				112
Unreserved	2,947	1,511	9,965		14,423
Total Fund Equity	3,059	1,511	9,965	243,509	258,044
Total Liabilities and Fund Equity	**$ 3,304**	**$ 1,562**	**$ 11,314**	**$ 289,185**	**$ 305,365**

The notes to the financial statements are an integral part of this statement.

STATE OF MONTANA
Schedule of Revenue and Income
All Higher Education Funds
For the Fiscal Year Ended June 30, 1983
(Expressed in Thousands)

	CURRENT FUNDS				FIDUCIARY
	Unrestricted	Restricted	Designated	Auxiliary	Student Loan
Service Fees	$ 18,979	$ 1,285	$ 90	$ 3,488	$ 172
Investment Earnings	930	35	219	997	218
Reimbursements	1,478		1		425
Sale of Documents Merchandise and Property	1,633	5,342	12	27,256	
Rentals, Leases, and Royalties					
Grants, Gifts and Donations					
Federal Grants	3,640		20,020		178
Other Grants	362	8	5,045		
Gifts and Donations		27	1,016	1	16
Miscellaneous	274	750	30	504	161
Income, Collections and Transfers	90,427	12,150	1,958	991	10
TOTAL REVENUE AND INCOME	**$ 117,723**	**$ 19,597**	**$ 28,391**	**$ 33,237**	**$ 1,180**

STATE OF MONTANA
Schedule of Expenditures and Withdrawals
All Higher Education Funds
For the Fiscal Year Ended June 30, 1983
(Expressed in Thousands)

	CURRENT FUNDS				FIDUCIARY
	Unrestricted	Restricted	Designated	Auxiliary	Student Loan
Personal Services	$ 85,996	$ 7,337	$ 12,286	$ 10,834	$ 94
Operating Expenses	25,655	10,622	14,166	16,926	779
Equipment	5,128	835	986	279	1
Capital Outlay	183	39	19	343	
Grants			1		
Transfers	434	134	166	2,575	5
Debt Service		35		37	
TOTAL EXPENDITURES AND WITHDRAWALS	**$ 117,396**	**$ 19,002**	**$ 27,624**	**$ 30,994**	**$ 879**

These schedules were prepared directly from the Statewide Budgeting and Accounting System and are not intended to be in accordance with generally accepted accounting principles.

FUNDS		PLANT FUNDS				TOTAL
Endowment	Agency	Unexpended	Renewal & Replacement	Debt Service	Investment in Plant	Memorandum Only
$	$ 1,424	$ 217	$	$ 2,135	$	$ 27,790
4	98	761	140	1,508		4,910
						1,904
	1,411	101	63			35,818
		64				64
				23		23,861
						5,415
37	782	78	10			1,967
	17,186	1,139	17	756		20,817
63	466	811	458	2,863		110,197
$ 104	**$ 21,367**	**$ 3,171**	**$ 688**	**$ 7,285**	**$ 0**	**$ 232,743**

FUNDS		PLANT FUNDS				TOTAL
Endowment	Agency	Unexpended	Renewal & Replacement	Debt Service	Investment in Plant	Memorandum Only
$	$ 940	$ 107	$ 683	$	$	$ 118,277
	19,341	107		40		87,636
	106	102	353			7,790
	5	2,155	236	2		2,982
						1
	370	262	145	1,915		6,006
		1		5,470		5,543
$ 0	**$ 20,762**	**$ 2,734**	**$ 1,417**	**$ 7,427**	**$ 0**	**$ 228,235**

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STATISTICAL AND ECONOMIC DATA

Financial presentations included in this section provide detailed data on the economic and social characteristics, the financial trends, and the fiscal capacity of the State.

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STATE OF MONTANA
(The Treasure State)

MISCELLANEOUS STATISTICS

(1)	Date of statehood	1889 - 41st state
(1)	Form of government	Legislative-Executive-Judicial
(1)	Land area - 4th largest state	93,157,952 acres
(1)	Miles of paved public roads	14,400
(2)	Higher Education (Universities and Colleges):	
	Number of campuses in the state	6
	Fiscal year 1983 full-time equivalent enrollment	27,213
(1)	Recreation:	
	Number of state parks/monuments	28
	National parks (Glacier and Yellowstone)	2
(3)	State Employees (full-time equivalent)	14,005.91

Sources: (1) Official Montana 1983-84 Highway Map
(2) Montana Commissioner of Higher Education
(3) State of Montana Office of Budget and Program Planning

STATE OF MONTANA

INCOME DATA

Total Personal Income
(Millions)

	Montana		Rocky Mountain Region(1)		United States	
	Amount	% Increase	Amount	% Increase	Amount	% Increase
1973	$3,422		$25,795		$1,045,303	
1974	3,670	7.2%	28,817	11.7%	1,147,257	9.7%
1975	4,019	9.5	31,714	10.0	1,248,631	8.8
1976	4,216	4.9	35,062	10.6	1,374,189	10.0
1977	4,585	8.7	39,353	12.2	1,522,766	10.8
1978	5,425	18.3	45,606	15.9	1,709,616	12.3
1979	6,040	11.3	52,429	14.9	1,930,782	12.9
1980	6,822	12.9	59,991	14.4	2,160,629	11.9
1981	7,357	7.8	68,595	14.3	2,426,901	12.3
1982	7.673	4.3	73,837	7.6	2,571,592	6.0
Average Annual Rate of Growth		9.4%		12.4%		10.5%

Per Capita Income

	Montana		Rocky Mountain Region(1)		United States	
	Amount	% Increase	Amount	% Increase	Amount	% Increase
1973	$4,760		$ 4,734		$ 4,980	
1974	4,976	4.5%	5,153	8.8%	5,428	9.0%
1975	5,381	8.1	5,580	8.3	5,861	8.0
1976	5,583	3.7	6,066	8.6	6,401	9.2
1977	5,988	7.2	6,645	9.7	7,038	10.0
1978	6,915	15.5	7,521	13.2	7,840	11.4
1979	7,684	11.1	8,357	11.2	8,773	11.7
1980	8,652	12.6	9,135	9.3	9,511	8.4
1981	9,252	6.9	10,184	11.5	10,582	11.3
1982	9,580	3.5	10,754	5.6	11,107	5.0

(1) The Rocky Mountain Region includes Montana, Colorado, Idaho, Utah and Wyoming.

Source: United States Department of Commerce, Bureau of Economic Analysis

STATE OF MONTANA

EMPLOYMENT DATA

	Civilian Labor Force	Employment	Unemployment	Unemployment Rates (1)	
				MONTANA	U.S.
1974	318,602	301,878	16,724	5.2%	5.6%
1975	322,575	301,961	20,614	6.4	8.5
1976	334,000	314,000	20,000	6.1	7.7
1977	347,000	325,000	22,000	6.4	7.1
1978	370,000	348,000	22,000	6.0	6.1
1979	371,000	352,000	19,000	5.1	5.8
1980	370,000	347,000	23,000	6.1	7.1
1981	384,000	357,000	27,000	6.9	7.6
1982	392,000	358,000	34,000	8.6	9.7
1983					
January..	384,082	343,953	40,129	10.4 (8.9)	11.4
February.	384,332	343,671	40,661	10.6 (8.8)	11.3
March....	386,952	348,659	38,293	9.9 (8.8)	10.8
April....	387,779	353,380	34,399	8.9 (8.5)	10.2
May.....	383,656	352,158	31,498	8.2 (8.5)	10.1
June.....	393,841	361,061	32,780	8.3 (8.2)	10.0

(1) The unemployment rates by month in parantheses are adjusted for seasonal variances in employment. They are provided for statistical analysis only and should not be confused with actual numbers.

Source: Montana Department of Labor and Industry

STATE OF MONTANA

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS (1)
(Expressed in thousands, except for number of permits)

Fiscal Year	Residential Construction(a) Number of Permits Issued	Residential Construction(a) Valuation*	Commercial Construction(b) Number of Permits Issued	Commercial Construction(b) Cost of Construction	Bank Deposits(c)
1973	2,723	$ 49,492	N/A	$ N/A	$2,252,030
1974	2,566	48,792	N/A	N/A	2,912,260
1975	3,066	67,151	N/A	N/A	3,258,283
1976	4,750	101,035	N/A	N/A	3,652,050
1977	5,627	130,579	N/A	N/A	4,128,856
1978	4,817	128,945	N/A	N/A	4,660,165
1979	3,121	90,077	N/A	N/A	5,059,264
1980	2,374	71,361	N/A	N/A	5,424,146
1981	1,954	68,085	324	32,383	5,943,223
1982	2,052	70,729	279	26,497	6,255,340

Fiscal Year	Property Values (Assessed) (d) Agricultural	Commercial/ Industrial	Personal/ Real	Utilities	Other**	Total
1973	$ 549,559	$ 107,858	$ 2,433,815	$ 335,026	$ 245,873	$ 3,672,131
1974	567,343	130,637	2,678,758	335,711	288,537	4,000,986
1975	581,513	121,428	2,911,479	307,499	452,131	4,374,050
1976	585,335	131,653	3,184,071	318,877	558,469	4,778,405
1977	597,059	133,599	3,371,518	340,083	663,566	5,105,825
1978	1,040,153	746,105	9,259,972	930,450	1,127,040	13,103,720
1979	1,069,825	758,507	9,789,906	957,929	1,165,649	13,741,816
1980	1,106,475	864,620	10,710,413	1,582,788	863,763	15,128,059
1981	1,148,842	1,019,930	11,076,029	1,794,413	832,758	15,871,972
1982	1,170,436	1,513,659	9,556,177	2,663,227	1,048,981	15,952,480

N/A-Information not available.
* 1980-1982: Information on publicly owned (contract awards) housing units was not available.
**Other property includes mining, coal and miscellaneous.

(1) -Nontaxable property value information is not available.
-Assessed value was changed from varying percentages of market value to market value in 1978.
-Bank deposits are the aggregate of State Banks and Trust Companies, National Banks, Savings and Loans and Credit Unions. Credit Union balances are as of the previous December 31 - all others are as of June 30. Savings and loans depository information was not available for 1973.

Sources: (a) U.S. Department of Commerce, Bureau of the Census
(b) Montana Deptartment of Administration, Building Codes Division
(c) Montana Deptartment of Commerce - State Banks and Trust Companies and National Banks; Federal Home Loan Bank of Seattle - Savings and Loans; Montana Credit Unions League - Credit Unions
(d) Montana Department of Revenue Reports to the Legislature

STATE OF MONTANA

PUBLIC EDUCATION INSTITUTIONS (1)
ENROLLMENT (2)

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
TOTAL GRADES PRE-K-12	172,045	172,158	171,787	170,547	168,730	164,326	158,208	155,073	153,435	152,401
MONTANA UNIVERSITY SYSTEM:										
University of Montana	8,362	8,575	8,496	8,057	7,979	7,868	8,010	8,283	8,226	8,458
Montana State University	8,174	8,585	8,965	9,320	9,613	9,555	9,811	10,338	10,675	10,69?
Montana Tech*	683	714	894	991	1,058	1,139	1,247	1,531	1,791	2,048
Western Montana College	721	742	735	597	582	643	699	825	820*	859*
Eastern Montana College	2,815	3,048	3,306	3,124	3,105	2,910	2,964	3,177	3,329	3,494
Northern Montana College	1,067	1,065	1,225	1,240	1,312	1,149	1,235	1,382	1,542	1,663
TOTAL UNIVERSITIES	21,822	22,729	23,621	23,329	23,649	23,264	23,966	25,536	26,383	27,213

* Semester calendar

(1) Vocational Technical Centers' enrollment information was not available.
(2) The grades Pre-K through 12 figures are basd on fall enrollment. The University System is based on fiscal year full-time equivalent enrollment. This is the basis upon which budgets for the Montana University System are established. Calculation: total undergraduate student credit hours generated during the fiscal year divided by 45(quarter basis) or 30(semester basis) plus total graduate student credit hours generated during the fiscal year divided by 36(quarter basis) or 24(semester basis).

Sources: Montana Office of Public Instruction and Commissioner of Higher Education

STATE OF MONTANA

TAXABLE AND ASSESSED (MARKET) VALUE OF PROPERTY(1)

Fiscal Year	Real Property		Personal Property		Total		Ratio of Total Taxable to Total Assessed Value
	Taxable Value	Assessed Value	Taxable Value	Assessed Value	Taxable Value	Assessed Value	
1973	$ 709,934,782	$ 2,196,301,926	$351,686,869	$1,475,829,530	$1,061,621,651	$ 3,672,131,456	28.9%
1974	799,186,793	2,371,954,516	399,323,278	1,629,031,483	1,198,510,071	4,000,985,999	30.0
1975	935,364,020	2,607,915,087	415,410,310	1,766,135,098	1,350,774,330	4,374,050,185	30.9
1976	984,458,402	2,780,687,940	407,476,726	1,997,717,222	1,391,935,128	4,778,405,162	29.1
1977	1,047,428,191	3,010,476,482	419,315,563	2,095,349,040	1,466,743,754	5,105,825,522	28.7
1978	1,132,364,837	8,713,629,607	435,920,600	4,390,090,783	1,568,285,437	13,103,720,390	12.0
1979	1,153,517,808	9,006,273,892	468,434,162	4,735,543,081	1,621,951,970	13,741,816,793	11.8
1980	1,335,993,781	9,672,953,322	509,015,156	5,455,105,902	1,845,008,937	15,128,059,224	12.2
1981	1,514,912,529	10,169,188,669	505,718,211	5,702,783,093	2,020,630,740	15,871,971,762	12.7
1982	1,820,293,278	11,179,906,293	384,198,866	4,772,573,915	2,204,492,144	15,952,480,208	13.8

(1) - Taxable property in Montana must be assessd at 100% of its market value except mining property and agricultural lands. Mining property is assessed based on net and gross proceeds from mineral production. The assessment on agricultural land is based on productive capacity.

- Taxable value is that against which the mill levy is applied. These values are arrived at by applying the appropriate ratios found in Montana's Classification Act to the assessd values (e.g., the taxable value of residential property is 30% of its assessed value).

- Assessed value was changed from varying percentages of market value to full market value in 1978.

Source: Montana Department of Revenue Reports to the Legislature

STATE OF MONTANA

ANALYSIS OF TAXABLE VALUE

	Agricultural Land		All Other Real Property*		Livestock		Personal Property (exc. Livestock)	
	Taxable Value	% of Total	Taxable Value	% of Total	Taxable Value	% of Total	Taxable Value	% of Total
1973 ..	113,353,834	10.68	371,669,111	35.01	83,821,904	7.89	267,864,965	25.23
1974 ..	114,788,164	9.58	405,168,914	33.81	110,064,081	9.18	289,259,197	24.13
1975 ..	116,071,663	8.59	435,614,953	32.25	79,028,021	5.85	336,382,289	24.90
1976 ..	114,823,879	8.25	453,666,664	32.59	66,003,878	4.74	341,472,848	24.53
1977 ..	115,099,683	7.85	483,901,703	32.99	72,460,827	4.94	346,854,736	23.65
1978 ..	139,424,857	8.89	531,792,142	33.91	43,769,134	2.79	392,151,466	25.01
1979 ..	139,017,359	8.57	547,192,323	33.74	60,903,474	3.75	407,530,688	25.13
1980 ..	139,797,414	7.58	578,474,345	31.35	83,900,401	4.55	425,114,755	23.04
1981 ..	139,801,965	6.92	605,038,594	29.94	33,979,697	1.68	471,738,514	23.35
1982 ..	140,225,015	6.36	599,615,034	27.20	31,847,801	1.45	352,351,065	15.98

	Utilities*		Net Proceeds(1)		Total Taxable Value
	Taxable Value	% of Total	Taxable Value	% of Total	
1973 ..	155,307,613	14.63	69,604,224	6.56	1,061,621,651
1974 ..	163,083,172	13.61	116,146,543	9.69	1,198,510,071
1975 ..	159,702,076	11.82	223,975,328	16.59	1,350,774,330
1976 ..	171,762,257	12.34	244,205,602	17.55	1,391,935,128
1977 ..	182,244,963	12.42	266,181,842	18.15	1,466,743,754
1978 ..	184,303,839	11.75	276,843,999	17.65	1,568,285,437
1979 ..	185,902,241	11.46	281,405,885	17.35	1,621,951,970
1980 ..	210,342,917	11.40	407,379,105	22.08	1,845,008,937
1981 ..	222,660,703	11.02	547,411,267	27.09	2,020,630,740
1982 ..	328,288,860	14.89	752,164,369	34.12	2,204,492,144

* Utilities includes Department of Revenue allocation and real and personal property of utilities.

(1) Net proceeds includes gross proceeds from 1976 forward.

Source: Montana Department of Revenue

STATE OF MONTANA

PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS
(Per $100 of Taxable Value)

	State of Montana Special Revenue Funds	Schools	Counties	Cities	Miscellaneous	Total
1973	$1.95	$10.56	$4.62	$2.80	$ .71	$20.64
1974	.93	10.71	4.26	2.74	.74	19.38
1975	.97	11.03	4.38	2.72	.65	19.75
1976	.89	11.30	4.49	2.73	.74	20.15
1977	.83	11.71	4.52	2.59	.93	20.58
1978	.98	11.95	4.48	2.76	1.00	21.17
1979	.86	13.03	4.71	2.89	1.15	22.64
1980	.74	13.29	4.67	2.86	1.12	22.68
1981	.68	13.35	4.79	2.83	1.22	22.87
1982	.68	12.76	4.78	1.80	2.04	22.06

Source: Montana Department of Revenue Reports to the Legislature

STATE OF MONTANA

PROPERTY TAX MILL LEVY FOR STATE PURPOSES

This portion of the property tax levy was developed to provide a nondiscriminatory method of financing public education in Montana. Each mill represents one dollar of tax levied on each thousand dollars worth of taxable property. The amount of property taxes needed for the year (net levy) is divided by the percentage determined collectible. This gross levy is then divided by the assessed valuation to arrive at the mill levy. For example, 1982's 6.0 mills would levy a tax of $36.00 on property with a taxable value of $6,000.

Levy Year	Higher Education System	Primary and Secondary Schools	Other	Total Mill Levy
1974	6.00	12.00*	3.00	21.00
1975	6.00	-	-	6.00
1976	5.60	3.90	-	9.50
1977	6.00	1.60	-	7.60
1978	5.94	1.05	-	6.99
1979	6.00	3.20	-	9.20
1980	6.00	1.00	-	7.00
1981	5.65	-	-	5.65
1982	6.00	-	-	6.00
1983	5.86	-	-	5.86

* Prior to 1974 other tax moneys were used for school support. Due to a change in the law an unusual special levy was necessary to shift to a property tax base.

STATE OF MONTANA

PROPERTY TAX LEVIES AND COLLECTIONS
FOR STATE PURPOSES

Fiscal Year(1)	Total Tax Levy(a)	Total Tax Collections(b)	Percent of Total Tax Collections to Tax Levy
1974	$20,737,501	$19,095,514	92.1%
1975	11,185,334	8,855,979	79.2
1976	13,092,625	13,391,366	102.3
1977	12,327,244	12,123,165	98.3
1978	12,126,043	11,990,844	98.9
1979	15,356,304	20,626,302	134.3
1980	13,984,398	17,330,797	123.9
1981	13,587,224	19,034,238	140.1
1982	13,714,149	13,900,840	101.4
1983	15,083,777	14,212,714	94.2

(1) Property taxes are levied in one fiscal year and collected in subsequent fiscal years (e.g., fiscal year 1974 relates to total tax collections only).

Sources: (a) Montana Department of Revenue Reports to the Legislature
(b) 1974-1975 Montana Annual Financial Reports
1976-1983 Montana Statewide Budgeting and Accounting System

STATE OF MONTANA

ANALYSIS OF OUTSTANDING DEBT BY RANGE OF INTEREST RATE
June 30, 1983

Range of Interest Rate (1)	Outstanding Debt	% of Total Outstanding Debt
0.00 to 2.00%	$ 490,000	.28%
2.01 to 3.00	6,260,000	3.63%
3.01 to 4.00	24,731,000	14.33%
4.01 to 5.00	11,486,000	6.66%
5.01 to 6.00	10,522,000	6.10%
6.01 to 7.00	23,780,000	13.78%
7.01 to 8.00	43,552,360	25.24%
8.01 to 9.00	23,585,000	13.67%
9.01 to 10.00	3,580,000	2.07%
10.01 to 11.00	14,830,000	8.60%
11.01 to 12.00	9,740,000	5.64%
Total State Debt	$172,556,360(2)	100.00%

(1) Face value coupon rates.

(2) Does not include Board of Housing debt.

Source: Summary of State Bonded Debt 1983.

STATE OF MONTANA

RATIO OF DIRECT STATE DEBT
PER CAPITA AND TO ASSESSED VALUATION

	Direct State Debt (1)	Debt Per Capita (2)	Ratio to Assessed Valuation (3)
1974	$ 30,001,930	$ 40.82	.75%
1975	26,891,655	36.00	.61%
1976	32,593,756	43.11	.68%
1977	28,309,371	36.86	.55%
1978	25,293,211	32.43	.19%
1979	24,583,008	31.28	.18%
1980	42,079,493	53.47	.28%
1981	39,907,875	50.20	.25%
1982	72,792,433	90.88	.46%
1983	133,047,360	166.10(4)	.83%(4)

(1) Includes General Obligation and Revenue Bonds.

(2) Montana population:

1974:	737,000	1979:	789,000
1975:	749,000	1980:	787,000
1976:	759,000	1981:	793,000
1977:	771,000	1982:	801,000
1978:	784,000	1983:	not available

Source: U.S. Department of Commerce, Population Bureau.

(3) Valuation amounts from the Montana Reports of the State Department of Revenue.

(4) Ratio calculated on 1982 base.

STATE OF MONTANA

RATIO OF ANNUAL DEBT SERVICE TO
TOTAL GENERAL EXPENDITURES

	Total Debt Service(1)	Total General Expenditures(2)	Ratio
1974	$ 10,035,096	$ 341,087,478	2.94%
1975	7,289,065	396,320,325	1.84
1976	8,156,774	487,252,559	1.67
1977	3,966,830	565,176,602	.70
1978	4,738,585	591,207,582	.80
1979	3,675,554	625,670,251	.59
1980	6,228,778	686,685,903	.91
1981	6,322,656	730,401,467	.87
1982	12,576,040	813,767,410	1.55
1983	10,978,000	849,123,000	1.29

(1) Total State debt service disbursements excluding those made from University Funds.

(2) 1974-1982--Total disbursements of the General, Earmarked Revenue, Sinking, and Federal and Private Revenue Funds.

1983--Total expenditures of the General, Special Revenue, Debt Service, and Capital Projects Funds.

Source: Montana Financial Reports.

STATE OF MONTANA

REVENUE BOND COVERAGE
DISCRETE ENTITIES (1)

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service(2)	Debt Service Requirements	
				Total	Coverage
1980	$36,208,300	$14,321,328	$22,548,738	$14,492,496	1.56
1981	42,516,467	15,998,812	27,204,950	21,113,412	1.29
1982	47,510,677	19,082,978	29,112,007	23,544,310	1.24
1983*	53,980,834	19,751,184	34,950,148	55,118,451	.63

* Figures for Northern Montana College were not available.

(1) Discrete entities include the Montana Board of Housing, universities and colleges. Information to calculate the coverage for the Montana College of Mineral Science and Technology was not available since no yearly audit is required for their revenue bonds exclusive of the college as a whole. Comprehensive information was unavailable prior to fiscal year 1980.

(2) Net revenues are defined by the bond resolution for the University of Montana's Building Fees Resolution. No gross revenue or operating expense figures are available for this resolution, therefore, the difference between gross revenues and operating expenses does not equal the net revenue available for debt service each year reported above. This difference is equal to the amount of net revenues defined by the Building Fees Resolution. Total debt service requirements and coverage are not affected.

Source: Annual audit reports for each discrete entity.

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